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TRI-COUNTY REGIONAL ENERGY NETWORK

2028-2031 PORTFOLIO PLAN AND 2028-2035 BUSINESS PLAN

DIRECT TESTIMONY

EXHIBIT 1

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LIST OF ABBREVIATIONS

Abbreviation	Definition
3C-BEACH	Tri-County Benefits of Electrification for Air Quality, Comfort, and Health
3CE	Central Coast Community Energy
3C-REN	Tri County Regional Energy Network
AB	Assembly Bill
AES	Agriculture Energy Solutions
Ag	Agriculture
AKAB	Access-to-Knowledge and Awareness-Building
BayREN	Bay Area Regional Energy Network
BPA	Business Plan Application
BPT	Building Performance Training
C&S	Codes and Standards
CAEECC	California Energy Efficiency Coordinating Committee
CAHPP	California Heat Pump Partnership
CAISO	California Independent System Operator
CBO	Community Based Organizations
CCA	Community Choice Aggregator
CCE	Central Coast Community Energy
CCEC	California Climate and Energy Collaborative
CC-LEAP	Central Coast Leaders in Energy Action
CCR-REN	Central California Rural Regional Energy Network
CEC	California Energy Commission
CES	Commercial Energy Savings
CEU	Continuing Education Units
CHERP	Cuyama Home Energy Retrofit Program
COL	Conclusion of Law
CPA	Clean Power Alliance
CPUC	California Public Utilities Commission
CRM	Customer Relationship Management
D.	CPUC Decision
DAC	Disadvantaged Communities
DBE	Disadvantaged Business Enterprise

Abbreviation	Definition
DEI	Diversity, Equity, and Inclusion
DERs	Distributed Energy Resources
DR	Demand Response
EAS	Energy Assurance Services
ECC	Energy Code Connect
ED	Energy Division
EE	Energy Efficiency
EO	Executive Order
ESA	Energy Savings Assistance
ESJ	Environmental and Social Justice
EVSE	Electric Vehicle Supply Equipment
FOF	Finding of Fact
GHG	Greenhouse gas
GWP	Global Warming Potential
HEEHRA	Home Electrification and Appliance Rebates
HES	Home Energy Savings
HFTD	High Fire Threat District
HPWH	Heat Pump Water Heater
HTR	Hard-To-Reach
HVAC	Heating, Ventilation, and Air Conditioning
IDSM	Integrated Demand Side Management
IOU	Investor-Owned Utilities
JCM	Joint Cooperation Memorandum
LGP	Local Government Partnerships
M&V	Measurement and Verification
MCAL	Mid-Cycle Advice Letter
MF	Multifamily
NEB	Non-Energy Benefits
NMEC	Normalized Metered Energy Consumption
NOAA	National Oceanic and Atmospheric Administration
NRCS	Natural Resource Conservation Services
OBF	On-Bill Financing

Abbreviation	Definition
OP	Ordering Paragraph
PA	Portfolio Administrator
PAC	Program Administrator Cost
PASC	Portfolio Administrator Sector
PG&E	Pacific Gas and Electric Company
PIP	Program Implementation Plans
PPIC	Public Policy Institute of California
PSPS	Planned Service Power Shutoffs
RCD	Resource Conservation Districts
RFP	Request for Proposal
RIM	Ratepayer Impact Measure
SBCE	Santa Barbara Clean Energy
SCE	Southern California Edison
SCG	Southern California Gas
SCT	Societal Cost Test
SDG&E	San Diego Gas and Electric Company
SF	Single Family
SoCalREN	Southern California Regional Energy Network
SOMAH	Solar for Multifamily Affordable Housing
TA	Technical Assistance
TCC	Transformative Climate Communities
TCR	Total Resource Cost
TSB	Total System Benefit
TUAL	True-Up Advice Letter
UVM	Unique Value Metric
VFD	Variable Frequency Drives
WE&T	Workforce Education and Training

CHAPTER 1
EXECUTIVE SUMMARY

A. INTENT OF 3C-REN'S APPLICATION

The Tri-County Regional Energy Network (3C-REN) is a partnership between the Counties of San Luis Obispo, Santa Barbara and Ventura (the Tri-County Region or Tri-Counties) established to deliver energy efficiency programs that help reduce energy use, strengthen local job markets, and support efforts to achieve climate goals.

Together, the Tri-Counties include 25 incorporated cities and 103 special districts. Home to more than 1.5 million residents and nearly 42,000 businesses, these counties represent a diverse service area that is geographically isolated from utility hubs and include pockets of rural and disadvantaged communities as well as large, underserved Spanish-speaking populations. All of these populations will benefit from services outlined in this Strategic Business Plan and Program Portfolio Plan application filing (Application). The region's high proportion of low-income and renter households and pockets of disadvantaged communities underscore the importance of 3C-REN's focus on equitable access to energy efficiency opportunities.

This strategic business plan lays out a vision, goals, and strategies for 3C-REN to continue its services to these communities, especially participants who meet equity criteria and are not well-served by existing utility programs. The intent of this Application is to continue providing energy efficiency services to the region that fill gaps in investor-owned utilities' (IOUs) offerings gaps and further align services with California's statewide energy, equity, and climate goals. This intent was informed by targeted stakeholder engagement conducted to understand community and market needs for the 2028-2035 planning horizon, including interviews and listening sessions with local jurisdictions, community-based organizations (CBOs), program implementers, contractors, and program participants. This application's intent was also informed by a residential evaluation to further identify opportunities to improve program design, customer engagement, and overall accessibility.

With the launch of its latest business plan, 3C-REN is improving its current services that empower ratepayers in the region to engage in California's energy efficiency efforts and benefit equitably from ratepayer-funded programs. As described in more detail later in this strategic business plan, under California Public Utilities Commission (Commission or CPUC) guidance regional energy networks (RENs) are limited to undertaking: (1) activities that utilities or community choice aggregation (CCA) program administrators cannot or do not intend to undertake; (2) pilot activities where there is no current utility or CCA program offering, and where there is potential for scalability to a broader geographic reach, if successful; and/or (3) activities serving hard-to-reach (HTR) markets, whether or not there is another utility or CCA program that may overlap.[1]

Within this framework, the centerpiece of 3C-REN's application is to continue to serve HTR constituencies and fill utility program gaps. 3C-REN's vision is to build a resilient energy ecosystem that helps meet Federal, State, and local climate goals through the delivery of integrated energy saving and decarbonization programs that nurture a sustainable local economy and reduce social disparities. 3C-REN will achieve this vision by pursuing three core principles:

(1) Provide equitable opportunities for equity customers (i.e. hard-to-reach, disadvantaged, and underserved communities) to receive the many benefits offered by more energy efficient and resilient homes and businesses.

(2) Be a trusted local resource and communication channel for energy efficiency and decarbonization efforts that address the climate crisis and build regional resilience.

(3) Enhance regional economic vitality by growing the market for energy projects and developing a local workforce with the expertise and resources to implement upgrades.

[1] Decision (D.) 19-12-021 at 32. Where there is overlap of programs, the Commission has advised a REN to "target[] the hardest-to-reach customers for activities that overlap or are significantly similar to [the IOU's]." D.18-05-041 at 100.

B. REGULATORY CONTEXT

RENs were first authorized as a regional pilot concept in Decision (D.) 12-05-015, which established the framework for local government entities to administer energy efficiency programs on a regional basis.[2] The Commission subsequently approved the first RENs in D.12-11-015, formally recognizing RENs as program administrators distinct from IOUs.[3] Since that time, the Commission has continued repeatedly reaffirmed the role of RENs as full Portfolio Administrators (PAs), independent of the IOUs, with distinct requirements suiting their unique portfolios.[4]

In D.19-12-021, the Commission updated and clarified the role of RENs and the criteria for approval of new or renewed REN business plans.[5] The Commission directed that RENs must demonstrate "new or unique value" in advancing the Commission's energy, climate, and equity goals, specifically through:

- Activities that utilities or CCA program administrators cannot or do not intend to undertake.
- Pilot activities where there is no current utility or CCA program offering, and where there is potential for scalability to a broader geographic reach, if successful.
- Activities serving HTR markets, whether or not there is another utility or CCA program that may overlap.[6]

The Commission further emphasized that where overlap exists, RENs should target the hardest-to-reach customers or otherwise provide differentiated value.[7] These criteria continue to govern 3C-REN's portfolio design and its role within the state's energy efficiency framework.

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[2] D.12-05-015, *Decision Establishing Energy Efficiency Savings Goals and Approving 2013–2014 Energy Efficiency Portfolios*, at 73–75 (authorizing regional pilots and local government participation).

[3] D.12-11-015, *Decision Approving Energy Efficiency Programs for 2013–2014*, at 87–89 (approving initial REN portfolios).

[4] *Id*.

[5] D.19-12-021, *Decision Addressing Energy Efficiency Business Plans*, at 31–33.

[6] *Id*. at 32 (articulating criteria for new or unique value).

[7] *Id*.; *see also* D.18-05-041 at 100 (directing RENs to target hardest-to-reach customers where overlap exists).

3C-REN filed its first business plan in 2017 and launched initial programs in 2018-2021. Following the inception of the COVID-19 pandemic, the Commission directed all PAs to file new business plans in 2022, to align with the new portfolio structure adopted in D.21-05-031.[8] That decision established structural reforms, including portfolio segmentation into Resource Acquisition, Market Support, and Equity segments; adoption of the Total System Benefit (TSB) metric; and increased emphasis on equity outcomes and long-term market effects.[9]

3C-REN's subsequent Application was approved in D.23-06-055, which authorized continuation of performing programs and approval of three new programs, while adopting segment-level indicators and goal constructs applicable to REN portfolios.[10] Decision 23-06-055 also reaffirmed the importance of community-based design, measurable equity outcomes, and integrated demand-side strategies within the evolving portfolio framework.[11]

Since approval of 3C-REN's current portfolio, additional state policy direction has emerged. Executive Order N-5-24 directs state agencies to examine programs and regulatory structures that may unduly contribute to electricity rate increases and to prioritize cost-effectiveness, affordability, and ratepayer protection while maintaining progress toward California's clean energy and carbon neutrality goals.[12] The Commission, in its formal response to the Executive Order, acknowledged the need to evaluate programs for cost-effectiveness and equitable cost distribution, while preserving reliability, safety, and statutory climate mandates.[13]

3C-REN's proposed 2028-2035 portfolio builds on its existing foundation while incorporating refinements responsive to this evolving regulatory environment. Consistent with

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[8] D.21-05-031, *Decision on Energy Efficiency Potential and Goals and Modifications to Portfolio Approval and Oversight Process*, Ordering Paragraph (OP) 5.

[9] *Id*. at 14–24, 42–44 (establishing portfolio segmentation and TSB framework).

[10] D.23-06-055, *Decision Approving 2024–2031 Business Plans and 2024–2027 Portfolio Plans*, at 97–101.

[11] *Id*. at 23–30, 134–137 (adopting Equity and Market Support indicators and reaffirming community-based approaches).

[12] Executive Order N-5-24 (Oct. 30, 2024), §§1–3.

[13] CPUC Response to Executive Order N-5-24 (Feb. 18, 2025), at 3–7 (discussing affordability and cost-effectiveness review).

D.19-12-021 and D.23-06-055, the portfolio continues to demonstrate unique regional value by filling gaps, implementing scalable delivery models, and targeting HTR and underserved. Key refinements include:

- **Enhanced quantification of Equity and Market Support impacts**, including affordability outcomes and non-energy benefits, consistent with the segment indicators adopted in D.23-06-055 and promoting informed decision-making for Environmental and Social Justice Action Plan communities;[14]
- **Advancement of a community-driven resilient energy ecosystem**, emphasizing workforce development, local government partnerships, and capacity building aligned with the Commission's Environmental and Social Justice (ESJ) Action Plan and segment objectives;[15] and
- **Operationalization of lessons learned from 3C-REN's pioneering residential Normalized Metered Energy Consumption (NMEC) program**, including improved performance-based delivery, transparent savings attribution, and alignment with integrated demand-side management strategies encouraged in recent Commission guidance.[16]

Through these refinements, 3C-REN's 2028–2031 portfolio remains aligned with Commission direction, responsive to evolving affordability concerns, and consistent with California's statutory clean energy and decarbonization objectives.

[14] D.23-06-055 at 23–30 (segment indicators and reporting requirements).

[15] *Id.*; *see also* Environmental and Social Justice Action Plan, Version 2.0, CPUC (Apr. 7, 2022), https://www.cpuc.ca.gov/ESJactionplan/.

[16] D.23-06-055 at 72–75 (Integrated Demand Side Management guidance); Population NMEC Rulebook (as adopted by the Commission).

CHAPTER 2
PORTFOLIO SUMMARY

A. ABOUT 3C-REN

1. REN Members

3C-REN is a collaboration and joint venture among the Counties of Ventura, Santa Barbara, and San Luis Obispo to design and administer the delivery of a portfolio of regional, customized energy efficiency programs.

2. REN Governance

3C-REN's overall administrative lead, or Lead County, is the County of Ventura. 3C-REN's Leadership Team, comprised of a lead from each of the three Counties as well as a Portfolio Manager hired by the County of Ventura, is responsible for overseeing and ensuring coordination between 3C-REN's portfolio of programs, as well as over-arching business functions that touch all programs.

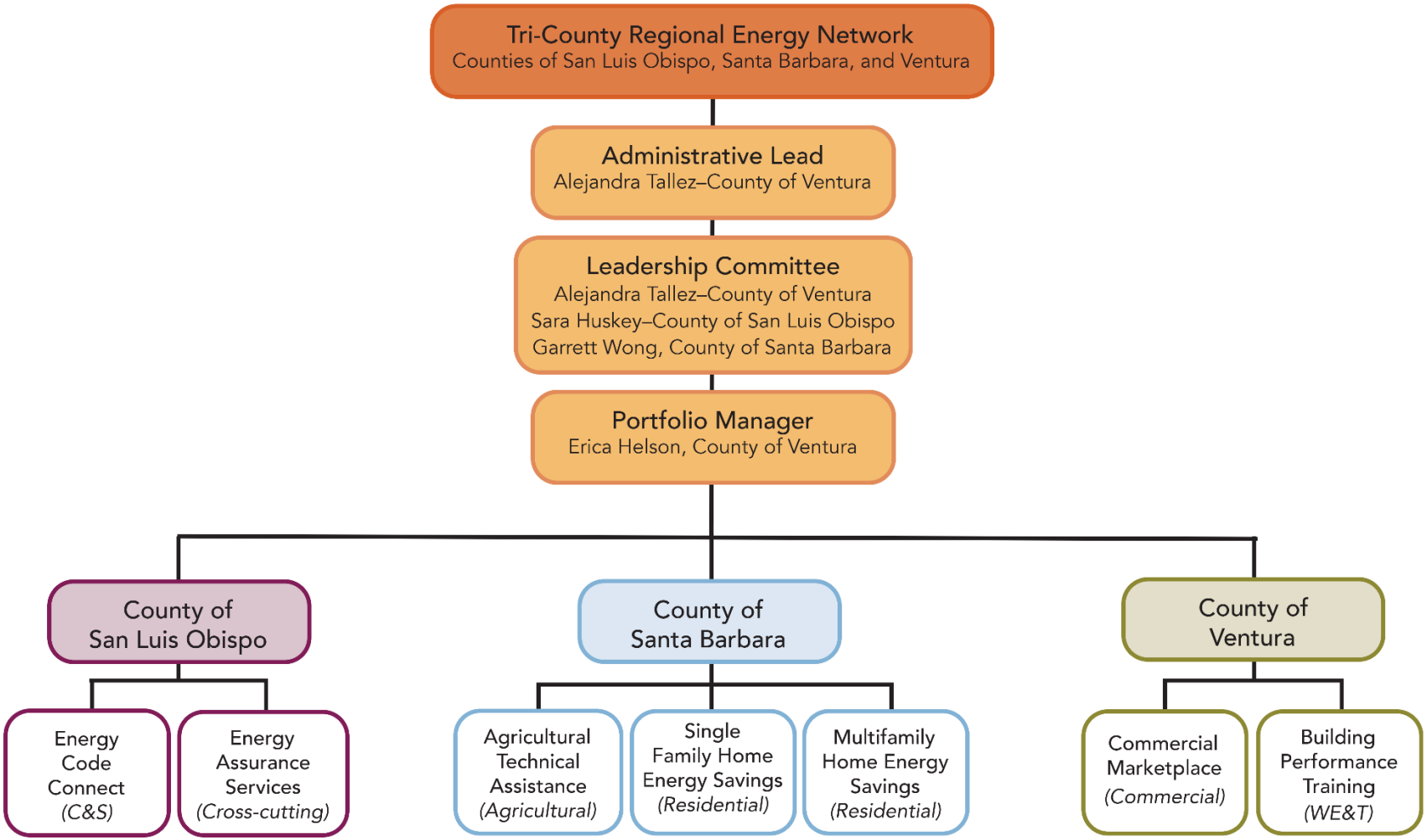
Each individual program in 3C-REN's portfolio is administered by a single member County, or Program Lead County, based on existing expertise, strengths, and interest. One representative from each Program Lead County is selected – by the Program Lead County in consensus with the other member counties- to be the Program Manager.

Table 2-1. Program Teams

PROGRAM	LEAD COUNTY
Building Performance Training	Ventura
Energy Code Connect	San Luis Obispo
Single-Family Home Energy Savings	Santa Barbara
Multifamily Home Energy Savings	Santa Barbara
Agriculture Energy Solutions	Ventura
Energy Assurance Services	Santa Barbara
Commercial Energy Savings	San Luis Obispo

Each program has a Program Team, typically including at least one representative from each member county. The Portfolio Manager is engaged in all programs for coordination purposes. The table below is included to illustrate the above, although Program Lead Counties may occasionally shift with staffing changes.

Figure 2-1: 3C-REN Organizational Structure



B. SERVICE TERRITORY AND SERVICE TERRITORY-RELATED FACTORS

3C-REN serves the Tri-County Region along the Central Coast, which is comprised of the County of San Luis Obispo, the County of Santa Barbara, and the County of Ventura, as shown in **Error! Reference source not found.**. The territory includes 25 incorporated cities and is home to more than 1.5 million residents (approximately 521,502 households).[17]

Figure 2-2: 3C-REN Service Area

1. Utility and CCA Context by County

The County of San Luis Obispo includes seven incorporated cities and multiple special districts. Utility providers in the area are Pacific Gas and Electric (PG&E) for electricity and

[17] U.S. Census Bureau, QuickFacts: San Luis Obispo County; Santa Barbara County; Ventura County, California (2023 population estimates; incorporated cities counts via CA Secretary of State). https://www.census.gov/quickfacts.

Southern California Gas (SCG) for natural gas. The primary CCA serving local jurisdictions is Central Coast Community Energy (3CE).

The County of Santa Barbara includes eight incorporated cities and multiple special districts. Electricity is delivered by Southern California Edison (SCE) in the south and PG&E in the north; natural gas is primarily supplied by SCG. Most jurisdictions participate in 3CE, while the City of Santa Barbara operates Santa Barbara Clean Energy (SBCE).

The County of Ventura includes ten incorporated cities and multiple special districts. Electricity is delivered by SCE and natural gas by Southern California Gas (SoCalGas). The primary CCA serving the county is Clean Power Alliance (CPA).

Because the Tri-County Region sits at the edge of multiple electric service areas and includes three IOUs and multiple CCAs, customers and contractors can face inconsistent requirements and messaging. 3C-REN coordinates with other PAs to streamline delivery, reduce customer confusion, and focus REN activities on gap-filling, HTR markets, and locally tailored implementation consistent with Commission direction.[18]

2. Geographic and Climatic Conditions

The Tri-County Region is topographically and climatically diverse, with coastal Mediterranean conditions, inland valleys with hotter/drier weather, and coastal and inland mountain ranges. With over 1.5 million residents and 8,257 square miles, this region makes up four percent of California's population and five percent of California's land area. The region hosts a total of five different climate zones. 3C-REN's service area includes mountains, rich agricultural valleys, and distinct urban areas, all within proximity to the Pacific Ocean. The inland areas in the

[18] D.18-05-041 and D.19-12-021 (Regional Energy Network coordination, gap-filling, and HTR focus).

region are comprised of the Los Padres National Forest and rural lands, much of which is active agriculture, including an abundance of vineyards, especially in the northern portion for the region.

Common across all three counties are pockets of urban jurisdictions surrounded by rural and agricultural communities, including extensive active vineyards in the northern region. The area's rural dispersion—especially across Santa Barbara and San Luis Obispo Counties and western Ventura County—creates higher delivery costs and limits workforce capacity, underscoring the need for an on-the-ground, locally coordinated approach.[19] The more urban areas, particularly in southeastern Ventura County, face their own challenges, including more multifamily structures and contractors traveling from the greater Los Angeles region to provide services.

3. Service-Territory Challenges That Shape Program Design

3C-REN has coordinated with other PAs in the region and state to ensure that this Business Plan Application is positioned to fill gaps, provide appropriate services, and address needs that cannot or are not fulfilled by other PAs. 3C-REN aims to scale its role and goals appropriately to match its strengths and fit the needs of its stakeholders to ensure that it offers the region a portfolio of programs that have measurable value in increasing energy efficiency program access, energy savings, community resilience, and long-term economic and environmental sustainability.

Below are elements of the Tri-County Region's geography and infrastructure that pose challenges for 3C-REN. 3C-REN's programs will consider and address these challenges, as described further in this BPA.

- **Geographic isolation and rural dispersion**: The Tri-County area includes larger

[19] U.S. Dep. of Ag. Econ. Res. Serv., *Rural-Urban Continuum Codes: Rural dispersion and economic characteristics of Tri-County Region* (Dec. 30, 2025). https://www.ers.usda.gov/data-products/rural-urban-continuum-codes.

swaths of rural land that host less connected communities, making it difficult to reach, especially by larger utilities, as well as by residents traveling within the region.

- **Extreme heat and climate impacts:** The region is faced with worsening extreme heat, especially in the inland, southern areas, which will lead to higher stress on the energy grid and highlighting the need for climate-resilient solutions. A 2019 Washington Post analysis of National Oceanic and Atmospheric Administration (NOAA) data identified Ventura County as the fastest-warming county in the continental United States (and documented substantial warming for Santa Barbara County as well), increasing cooling demand and grid stress.[20]
- **Wildfire risk and grid disruption:** The region faces significant wildfire exposure. The 2017 Thomas Fire burned 281,893 acres across Ventura and Santa Barbara Counties, contributing to ongoing resilience and reliability concerns, including planned service power shut-offs (PSPS) related risk.[21]
- **Affordability pressures:** According to the Public Policy Institute of California (PPIC), poverty rates in the Tri-County Region are among the highest in the state, reaching nearly 18% in Santa Barbara County.[22] According to the National Association of Realtors, Ventura County is the second least affordable metropolitan area in the nation

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[20] Washington Post analysis of NOAA temperature data: "How much hotter is your hometown than when you were born?" (2019) identifying Ventura County as fastest-warming in Lower 48. Scott Wilson, et al., Fire, Floods and Free Parking: California's Unending Fight Against Climate Change, Wash. Post (Dec. 5, 2019), https://www.washingtonpost.com/graphics/2019/national/climate-environment/climate-change-california/.

[21] Public Policy Institute of California (PPIC), California Poverty Measure Interactive Data: California Poverty by County and Legislative District (last visited Mar. 15, 2026), https://www.ppic.org/interactive/california-poverty-by-county-and-legislative-district/.

[22] *Id.*

for home buyers.[23] Poverty rates remain elevated after accounting for cost of living and safety net resources—conditions that can constrain upgrade adoption absent targeted incentives and delivery support.

- **Aging building stock:** A larger number of older buildings (pre 1970s) and municipal facilities in the region use more energy due to outdated systems. These characteristics increase baseline savings potential while also increasing complexity and cost of retrofits.[24]
- **Language access:** Thirty-three percent of the region's population speaks a language other than English at home, highlighting the need for non-English outreach and program delivery.[25]
- **Workforce constraints**: The Tri-County area workforce is characterized by smaller local contracting firms, limited building-performance experience, and have difficulty in attending IOU trainings offered outside the region—supporting 3C-REN's emphasis on local WE&T capacity building.[26]
- **Multiple utilities:** There are three different IOUs in the Tri-Counties providing programs with some overlapping electrical services, which necessitate distinct and streamlined programs that ease customer confusion.

3C-REN has coordinated and will continue to coordinate with other PAs to ensure program

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[23] Tony Biasotti, High Housing costs Greater Factor for County's Affordability (Feb. 20, 2026), https://www.vcstar.com/story/news/local/2026/02/20/clu-study-weighs-causes-solutions-to-ventura-countys-affordability-gap/88652830007/.

[24] U.S. Census Bureau, American Community Survey (ACS) Housing Characteristics (Year Structure Built; pre-1970 housing stock percentages), https://data.census.gov.

[25] U.S. Census Bureau, American Community Survey (ACS) 5-Year Estimates (Language Spoken at Home; percentage speaking language other than English in home), https://data.census.gov.

[26] California Employment Development Department (EDD), Labor Market Information Division (construction workforce demographics and small firm composition in Central Coast region), https://labormarketinfo.edd.ca.gov.

delivery is positioned to fill gaps, provide appropriate services, and address needs that are not fully met by other administrators. This approach aligns program scale and design with local conditions to produce measurable value in energy efficiency access, energy savings, resilience outcomes, and long-term economic and environmental sustainability.

The Tri-County Region faces a set of interconnected economic, workforce, and institutional barriers that directly affect the uptake and successful implementation of energy efficiency programs. While interest exists in reducing energy costs, improving building performance, and advancing climate goals, customers, contractors, and public agencies alike encounter practical constraints that limit participation. These challenges, ranging from upfront cost burdens and funding uncertainty to workforce shortages, limited program awareness, and local government capacity constraints, require coordinated, locally tailored solutions. The following factors describe the primary obstacles affecting program participation in the region and the strategies 3C-REN is employing to address them.

- **Cost of upgrades:** The high upfront cost of implementing upgrades, along with long-term costs, prevents or discourages many potential residential customers from participating in programs. Many residents are unable to cover those costs, and offering rebates after a project is complete can make a project cost prohibitive.[27] 3C-REN addresses these issues through incentives, outreach and education efforts to residents and contractors.
- **Funding uncertainty:** There is increasing uncertainty regarding the availability of certain types of funding, especially federal funding, to help offset project costs. This

[27] Jasmine Mah, ACEEE Energy Retrofits for Low- and Moderate-Income Households Require Coordinated Funding (Oct. 2, 2025), https://www.aceee.org/blog-post/2025/10/energy-retrofits-low-and-moderate-income-households-require-coordinated-funding.

impacts implementers' ability to implement projects, attract customers, and maintain program effectiveness. Potential customers are also increasingly cost-aware and hesitant to engage in an upgrade when there are significant funding unknowns. 3C-REN will explore opportunities for innovative funding options and improved outreach and education regarding the costs of project implementation.

- **Lack of trained workforce:** The local contractor base in the Tri-County Region is seeing an increasing number of retirements, leaving the workforce for energy efficiency in short supply as many small plumbing and HVAC firms close their businesses.[28] Increasing the number of contractors trained for energy efficiency work in the Tri-County Region is a challenge. The number of young people reaching working age in the region is also growing, which presents an opportunity to grow the clean energy workforce through the WE&T program. 3C-REN's engagement in schools with specialized construction programs is creating career exposure for young people in the region.
- **Lack of knowledge and awareness:** A lack of knowledge of energy efficiency programs and funding assistance availability by the general population means people are not receiving the assistance they need and lowering participation rates.[29] There is also a need for improved contractor training materials that are accessible and available in multiple languages to increase contractor knowledge of energy efficiency project implementation, permitting, and energy code requirements. 3C-REN is addressing this

[28] U.S. Bureau of Labor Statistics (BLS), Employment Projections: Construction and Extraction Occupations (2023–2033), noting retirements and workforce shortages in HVAC and plumbing trades. https://www.bls.gov.

[29] ACEEE, Toward More Equitable Energy Efficiency Programs for Underserved Households at 7 (May 2023), https://www.aceee.org/sites/default/files/pdfs/B2301.pdf.

through improved training materials and programs and more targeted outreach for both program participants and contractors.

- **Staffing and resource constraints:** Local governments in the region, including special districts, must balance many high-priority items with their limited staffing and funding. This impacts the ability of local jurisdictions to effectively participate in energy efficiency programs, implement upgrades and prioritize related initiatives.[30] 3C-REN's technical support and audit programs help reduce staff time spent on energy efficiency projects and enable participation in these programs.

4. Demographics

The Tri-County Region is a growing region home to 1,561,770 people. The following charts provide demographic data for the three counties.

- County of San Luis Obispo: Population 281,843 (2024), covering 3,300 square miles, population density of 85.41 people per square mile.[31]
- County of Santa Barbara: Population 444,500 (2024), covering 2,733 square miles, population density of 162.64 people per square mile.[32]
- County of Ventura: Population 835,427 (2024), covering 1,841 square miles, population density of 453.84 people per square mile.[33]

The Tri-County Region saw a slight population decline between 2020 and 2025 (-1.84

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[30] National League of Cities, Local Government Energy Program Capacity Challenges (2023); California State Association of Counties (CSAC), County Fiscal Conditions Report (2024). https://www.counties.org.

[31] United States Census Bureau, San Luis Obispo County, California. https://data.census.gov/profile/San_Luis_Obispo_County,_California?g=050XX00US06079.

[32] United States Census Bureau, Santa Barbara County, California. https://data.census.gov/profile/Santa_Barbara_County,_California?g=050XX00US06083.

[33] United States Census Bureau, Ventura County, California. https://data.census.gov/profile/Ventura_County,_California?g=050XX00US06111.

percent) and is expected to see a small population decline over the next twenty years, until 2050.[34] Both the Counties of San Luis Obispo and Santa Barbara populations are expected to grow between 2025 and 2050, while the population of the County of Ventura is expected to decline. Although the region is not projected to grow in the coming decades, 3C-REN will continue to play an important role in this otherwise underserved region by reducing energy use and achieving energy savings and promoting long-term economic and environmental sustainability through its programs.

Table 2-2. Estimated population changes, Tri-County Region, 2025-2050

County	2025	2035	2050
County of San Luis Obispo	277,611	277,543	285,842
County of Santa Barbara	443,825	457,308	477,098
County of Ventura	823,680	808,879	768,121
California	39,299,708	40,105,580	40,819,078

Sixty percent of the population in the Tri-County region falls between 18 and 64, which suggests a strong workforce or working-age community. Almost half of the populations of the Counties of Ventura and Santa Barbara identify as Hispanic (45.3 percent and 49.3 percent, respectively), followed by slightly lower numbers identifying as white (41.7 percent and 40.3 percent, respectively).[35] In the County of San Luis Obispo, 25.8 percent identify as Hispanic, with 65.3 percent of the population identifying as white. This indicates a need to ensure all programs are accessible in Spanish and are culturally appropriate, especially for Ventura and Santa Barbara counties.

[34] California Department of Finance table P2A County Total 2025. https://dof.ca.gov/forecasting/demographics/projections/.

[35] United States Census Bureau, Quick Facts. https://www.census.gov/quickfacts/fact/table/CA,venturacountycalifornia,santabarbaracountycalifornia,sanluisobispocountycalifornia/PST045224.

5. Income

The Tri-County Region has a median household income of $103,533, which is close to the California median household income of $100,149.[36] Within the three counties, the County of Santa Barbara has the lowest median household income, at $95,637, and the highest rate of poverty, at 16.3 percent. According to a 2021-2023 California Poverty Measure study by the Public Policy Institute of California, the County of Santa Barbara has a poverty rate of 17.7 percent, which the highest poverty rate for any County in the State.[37] The County of Ventura has the highest median household income and the lowest poverty level of the three counties.

About 13 percent of the region falls under the federal poverty line; combined with the high cost of living in California, compared to the rest of the country, this means that a greater percentage of people in the region are struggling financially. The income disparity highlights the role of local governments to support community resilience, economic, and climate sustainability. It also shows the need for good-paying jobs in the community.

Table 2-3. Median household income and poverty level in the Tri-County Region in 2024[38]

County	Median Household Income	Poverty Level
County of San Luis Obispo	$100,724	13.1%
County of Santa Barbara	$95,637	16.3%
County of Ventura	$114,238	9.3%
California	$100,149	11.8%

6. Education

The Tri-County Region has about the same percentage of bachelor's degree (or higher

[36] United States Census Bureau, San Luis Obispo, Santa Barbara, and Ventura Counties, California. http://data.census.gov.

[37] California Poverty by County and Legislative District - Public Policy Institute of California.

[38] United States Census Bureau, San Luis Obispo, Santa Barbara, and Ventura Counties, California. http://data.census.gov.

degree) holders as the California average (38.8 percent and 38.1 percent, respectively).[39] The region has a high percentage of young people under the age of 25 entering the workforce, specifically in both the Counties of San Luis Obispo and Santa Barbara. Alternative career options in the region that do not require a higher education degree would allow greater numbers of people to find jobs and secure income. Additional opportunities for energy efficiency and electrification training and certifications would benefit this region's population.

7. Disadvantaged and Hard-to-Reach Communities

As defined by SB 535, Disadvantaged Communities (DACs) refer to tribal lands or areas with a population with a median income 60 percent below the statewide median. The 3C-REN territory has several areas that are DACs; as seen in Figure 2-3, there is a large portion of land designated as a DAC in Santa Barbara County, as well as many smaller DACs closer to the cities of Ventura and Oxnard in Ventura County. Figure 2-4 shows that the census tracts are in the 60th percentile or higher for pollution burden and social vulnerability, aligning closely with the DAC regions.[40]

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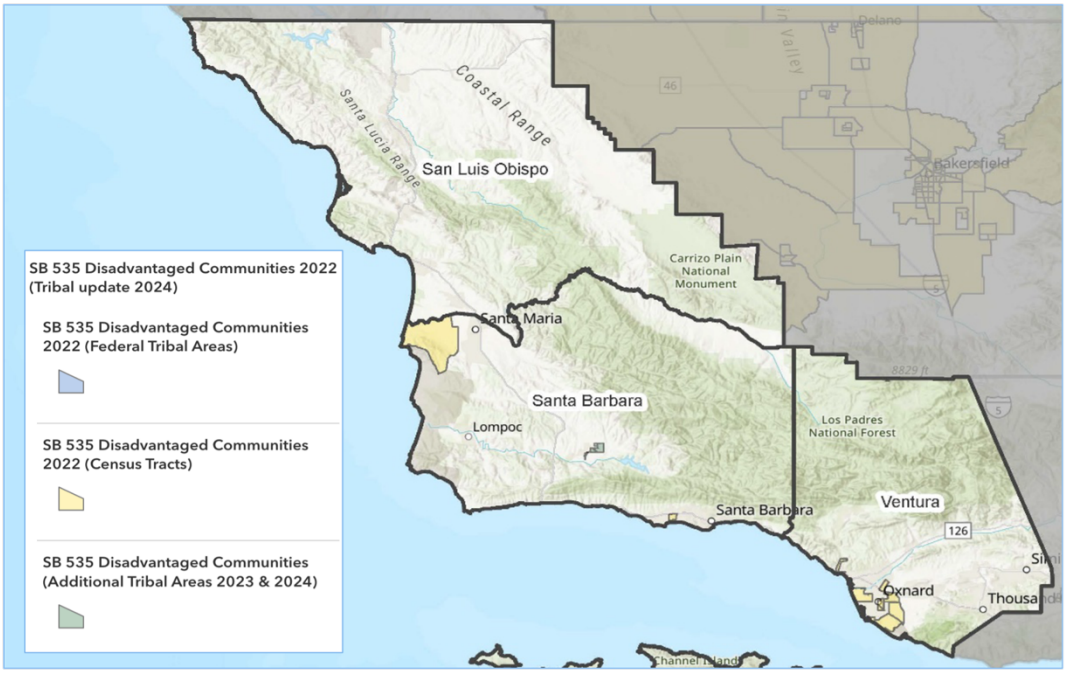
[39] *Ibid*.

[40] CalEnviroScreen 4.0 (last visited Mar. 15, 2026), https://experience.arcgis.com/experience/11d2f52282a54ceebcac7428e6184203/.

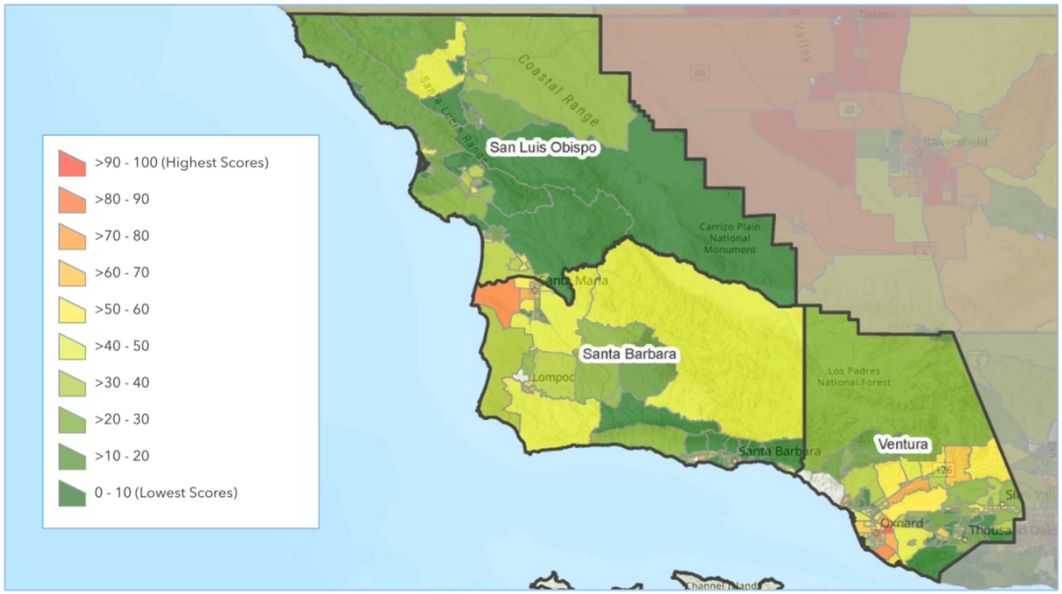
Figure 2-3: Disadvantaged communities in the 3C-REN region



Additionally, as outlined in D.23-06-055, local government entities that are located outside of the San Francisco Bay Area, Greater Los Angeles Area, Greater Sacramento Area, and San Diego County areas–which are generally more rural–meet the geographic criterion for HTR customers. Therefore, all jurisdictions in Santa Barbara and San Luis Obispo counties are considered HTR. A recent study by UC Santa Barbara found that the largest predictor of total and per capita energy efficiency funding for local governments was their rurality, with another top factor being their designation as a DACs.[41] This aligns with the overall low spending on energy efficiency programs in these counties. Considering the presence of DACs and the rural nature of much of San Luis Obispo, Santa Barbara, and Ventura counties, there is a need for greater investment in energy efficiency projects to reach these communities.

[41] Michelle Le, Sydney Litvin, Atherv Gole, Audrey Meiman, Austin Covey, Nathaniel Villa, Measrainsey Meng, Tatum Katz, Ranjit Deshmukh, "Inequity in public sector energy efficiency? Explaining disparities in program budgets in California, United States," *Energy Research & Social Science*, Volume 114, 2024, 103590, ISSN 2214-6296 (Aug. 2024), https://doi.org/10.1016/j.erss.2024.103590.

Figure 2-4: CalEnviroScreen 4.0 Results for the 3C-REN region



It is difficult to access the Tri-Counties, as the region has limited airport and train service and an overall lower density than larger metropolitan areas and the other RENs. Approximately 23 percent of the Tri-County population lives in unincorporated, rural areas; San Luis Obispo County has the highest rate, at 43 percent, and Santa Barbara County is second, with about 31 percent in unincorporated areas.[42] Rural populations in the region tend to be in the inland areas, have higher rates of poverty, are historically underserved by utility programs, and are in climate zones that offer greater savings opportunities.[43,44]

These characteristics and data maps underscore a substantial need for focused, consistent, local engagement and energy efficiency funding to serve these communities and help reduce their energy burden and overall consumption.

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[42] State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State (May 2025), https://dof.ca.gov/forecasting/demographics/estimates-e1/.

[43] Scavo, Korosec, Guerrero, et al, 2016. "Low-Income Barriers Study, Part A: Overcoming Barriers to Energy Efficiency and Renewables for Low-income customers and Small Business Contracting Opportunities in Disadvantaged Communities." CEC. Publication Number: CEC-300-2016-009-SD2, p. 2.

[44] PPIC, "Rural California Fact Sheet," (March 2024). https://www.ppic.org/publication/rural-california/.

8. Climate Impacts

Climate change impacts, especially extreme heat, are anticipated to impact all three 3C-REN counties. Although the coastal area experiences relatively mild temperatures due to the moderating influence of the Pacific Ocean, the eastern, inland areas are more susceptible to extreme heat, especially in Ventura County. This will result in an anticipated average of 62 extreme annual extreme heat days (days over 88.9°F) and roughly 130 warm nights (nights above 57.3°F) across the region by 2099, for the high emissions scenario, as shown in tables 2-4 and 2-5.[45] With the older building stock in the Tri-County Region, both residential and municipal buildings will need to use more energy to maintain indoor comfort in the coming years, resulting in an overall increase in energy consumption if no further interventions are taken.

Table 2-4. Increase in extreme heat days, medium and high emission scenario[46]

	Medium Emissions, RCP 4.5		High Emissions, RCP 8.5		
	Increase in Extreme Heat Days	**Total Estimated Extreme Heat Days**	**Increase in Extreme Heat Days**	**Total Estimated Extreme Heat Days**	**Threshold Temp. (F)**
County of San Luis Obispo	+13 days	30 days	+28 days	60 days	90.3° F
County of Santa Barbara	+11 days	25 days	+23 days	49 days	87.5° F
County of Ventura	+19 days	41 days	+37 days	77 days	88.8° F

[45] CalAdapt, Local Climate Change Snapshot, accessed January 8, 2026. Based on 30-year average, end-century estimations (2070-2099). Medium emissions, RCP 4.5, high emissions, RCP 8.5. https://cmip5.cal-adapt.org/tools/local-climate-change-snapshot.

[46] *Id.*

Table 2-5. Increase in warm nights, medium and high emission scenarios, Tri-County Region[47]

	Medium Emissions, RCP 4.5		High Emissions, RCP 8.5		
	Increase in Warm Nights	**Total Estimated Warm Nights**	**Increase in Warm Nights**	**Total Estimated Warm Nights**	**Threshold Temp. (F)**
County of San Luis Obispo	+29 nights	65 nights	+63 nights	133 nights	56.7°F
County of Santa Barbara	+28 nights	65 nights	+62 nights	133 nights	56.4° F
County of Ventura	+28 nights	62 nights	+59 nights	124 nights	58.8° F

During the summer of 2020, California experienced a severe heat wave that resulted in brownouts and rolling blackouts in the region, with flex alerts from California Independent System Operator (CAISO) causing 813,000 people to be without power.[48] These events, which will only become more likely due to extreme heat events from climate change, underscore the need for local governments to support energy efficiency, reducing the likelihood of power outages while supporting community resilience.

Wildfire is a major threat to the population in both rural and urban areas and the agricultural industry in all three counties. According to the CPUC High Fire Threat District (HFTD) map, much of the Tri-County region is at an elevated or extreme risk of wildfire "associated with overhead utility power lines or overhead utility power-line facilities also supporting communication facilities".[49] HFTD are prevalent in much of the central, rural regions of San Luis Obispo and Santa Barbara Counties, and much of the urban, southern region of Ventura County. Wildfire risk, especially during the dry season, can require power shutoffs and brownouts, which

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[47] *Id.*

[48] California Municipal Utilities Association, *Electric Reliability: The August 2020 Rotating Outages, California's Publicly Owned Electric Utilities, and the Value of Local Control* (Jan. 2021), https://www.cmua.org/2021-issue-brief-electric-relaibility.

[49] CPUC High Fire Threat District (HFTD) App, accessed March 3, 2026. https://experience.arcgis.com/experience/7dfb589984a442e79b1441e791341db0.

can especially affect vulnerable residents during extreme heat occurrences. Air quality is also impacted during wildfires, both those in the region and from other areas of the state, leading to poor or dangerous air quality from smoke.

The Tri-Counties face a range of additional climate related challenges including sea level rise threatening the region's extensive coastal areas, water scarcity risks to the population as a whole and agricultural lands, and the associated need for improved resiliency by employing renewables and energy storage solutions. Certain areas in the 3C-REN territory also have high levels of smog, with areas in the eastern, inland side of the three counties experiencing increased levels of ozone. Several Ventura County cities, including Thousand Oaks and Simi Valley, experience high levels of ozone pollution, contributing to health impacts and poor air quality. This smog is caused by emissions from gas vehicles, gas appliances, and warehouses in the region. Upgrading to energy-efficient and electric appliances will reduce smog and ozone pollution and improve the air quality in the Tri-County Region.

9. Portfolio Administrators in Same Service Area

3C-REN's territory overlaps with SoCalGas, SCE, PG&E, Southern California Regional Energy Network (SoCalREN), and Central California Rural Regional Energy Network (CCR-REN). San Luis Obispo County is served by PG&E and SoCalGas. Santa Barbara County is served by PG&E, SCE and SoCalGas. Ventura County is served by SCE and SoCalGas. Each county houses the termination point of a major utility service territory. SoCalREN offers their services in SCE territory in Ventura County and South Santa Barbara County, and CCR-REN offers their services in San Luis Obispo County.

Additionally, several CCAs operate within 3C-REN territories serving multiple customers. The Central Coast Community Energy (3CE) services customers in the Central Coast

Communities of San Luis Obispo and Santa Barbara, the Clean Power Alliance (CPA) serves Ventura County, and the Santa Barbara Clean Energy (SBCE) serves the City of Santa Barbara.

While there are multiple PAs serving 3C-REN's territory, the services do not meet all of the population's needs. Due to a combination of workforce limitations, geographic isolation and low density 3C-REN can fill the gaps in services. 3C-REN has coordinated with other PAs to ensure that this business plan is addressing services that cannot or are not being addressed by other PAs in its region, covering the outlying needs in the residential, commercial, agricultural, public, workforce education and training, and codes and standards sectors, while concurrently addressing affordability, energy efficiency, and resilience goals.

Figure 2-5: 3C-REN and Overlapping IOU Service Areas

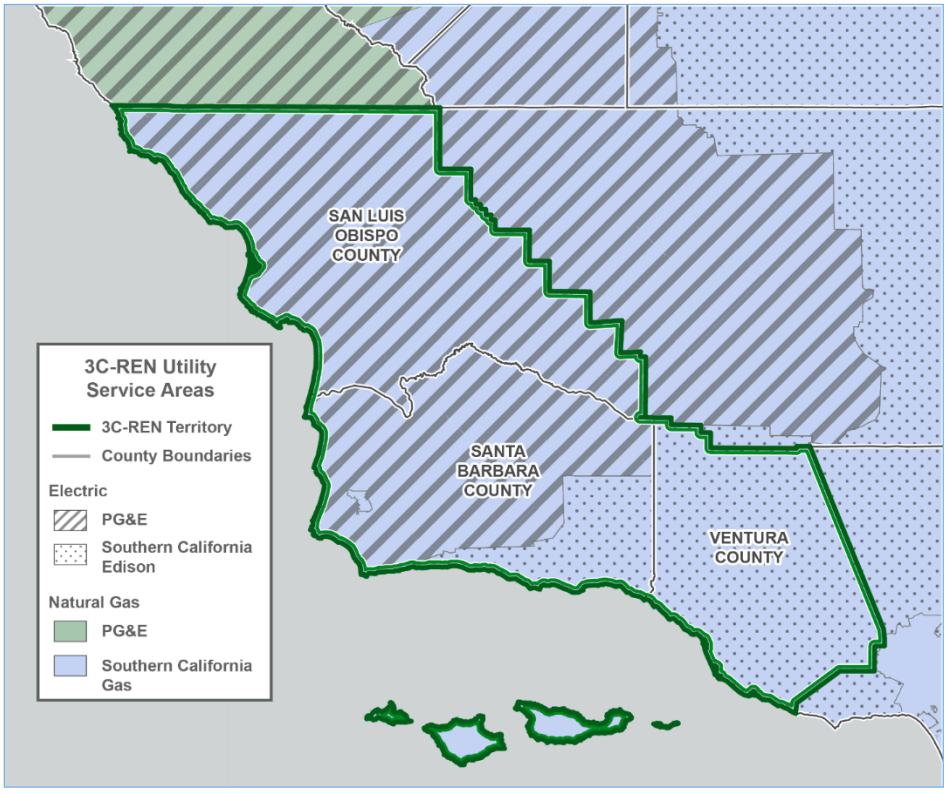
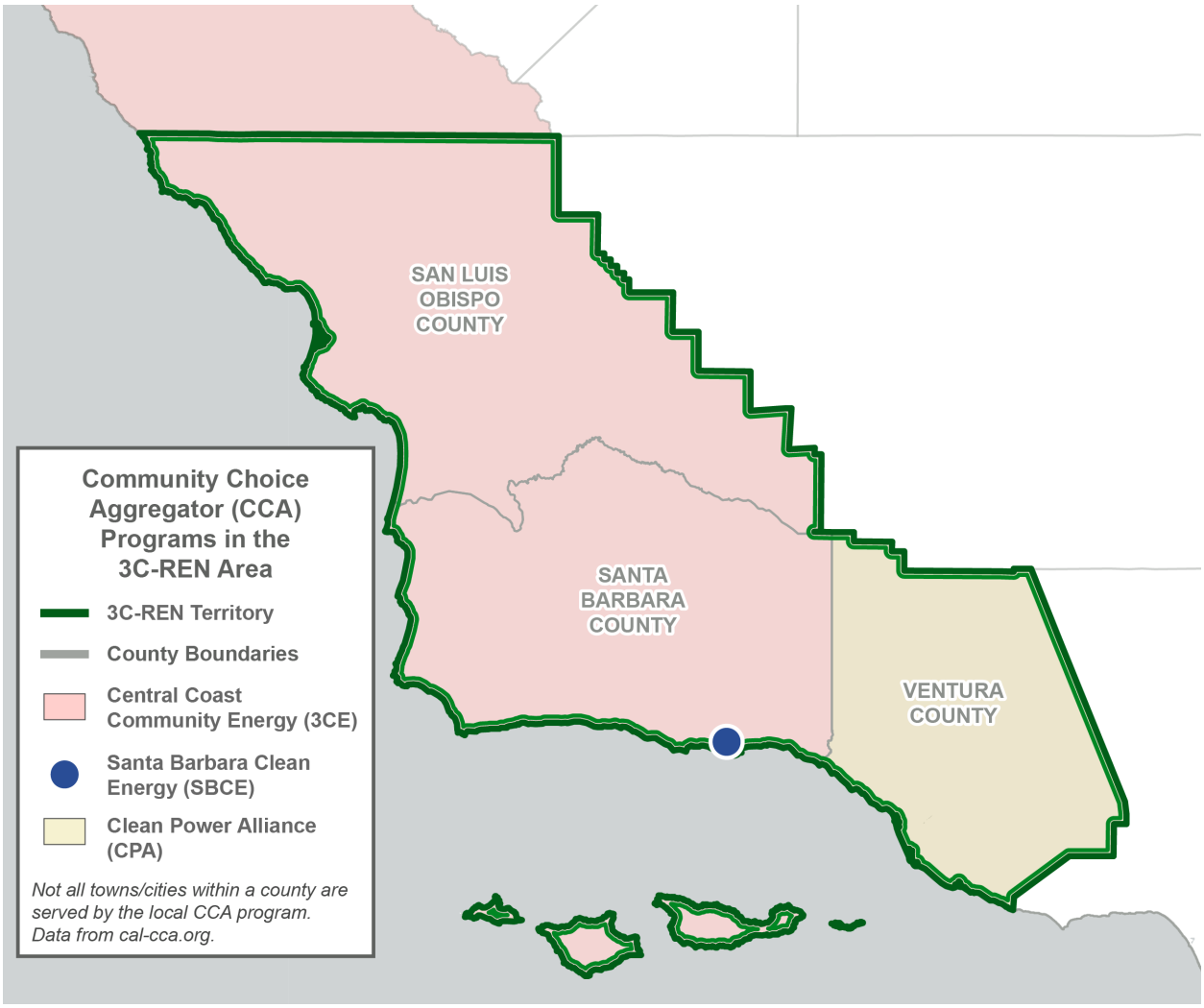


Figure 2-6: 3C-REN Overlapping REN Areas

Figure 2-7: CCAs in the 3C-REN Area



C. APPLICATION SUMMARY TABLES

The tables below summarize 3C-REN's annual budget request, forecasted cost-effectiveness, and other expected performance metrics over the 4-year and 8-year duration.

Table 2-6. 4-year Portfolio Budget Forecast Summary (2028-2031)

4-year Portfolio Budget Forecast Summary (2028-2031) ($000)					
	2028	**2029**	**2030**	**2031**	**Total (4 years)**
Total Budget	24,490	25,521	26,803	27,856	104,670
Resource Acquisition Segment Budget	0	0	0	0	0
Market Support Segment Budget	4,045	4,146	4,361	4,466	17,018
Equity Segment Budget	17,347	18,154	19,077	19,897	74,475
Codes and Standards Budget	2,118	2,200	2,293	2,378	8,989
EM&V	980	1,021	1,072	1,114	4,187
ED Portfolio Oversight	0	0	0	0	0

Table 2-7. 4-year Portfolio Forecast Summary (2028-2031)

	2028	2029	2030	2031	Resource Acquisition Segment Only (Total 4-year)	Entire Portfolio (Total 4-year)
Total System Benefit (TSB)	$7,240,236.26	$7,991,000.98	$8,908,798.43	$10,057,454.44	0	$34,197,490.11
Total Resource Cost (TRC) Ratio	0.21	0.22	0.24	0.25	0	0.23
Program Administrator Cost (PAC) Ratio	0.42	0.44	0.46	0.48	0	0.44
Societal Cost Test (SCT) - Base	0.31	0.32	0.34	0.35	0	0.34
Societal Cost Test (SCT) - High	0.31	0.32	0.34	0.35	0	0.34
Ratepayer Impact Measure Test Ratio (RIM)	0.60	0.62	0.64	0.66	0	0.61
Lifecycle MWh/GWh	-47,412.25/ -47.41	-49,971.43/ -49.97	-42,295.87/ -42.30	-54,283.18/ -54.28	0	-193,962.73/ -193.96
First Year MW	0.36	0.38	0.41	0.42	0	1.57
Lifecycle MMTHERMS	0.53	0.56	0.59	0.61	0	2.29
Lifecycle Net Electric CO2 Metric Tons	-10,073.62	-10,500.99	-820.23	-817.30	0	-22,212.14
Lifecycle Net Gas CO2 Metric Tons	34,846.43	36,680.15	3,119.35	3,255.73	0	77,901.66

Table 2-8. 4-year Portfolio Budget Forecast Summary (2032-2035)

4-year Portfolio Budget Forecast Summary (2032-2035) ($000)					
	2032	**2033**	**2034**	**2035**	**Total** (4-year)
Total Budget	28,970	30,129	31,334	32,587	123,019
Resource Acquisition Segment Budget	0	0	0	0	0
Market Support Segment Budget	5,409	5,625	5,850	6,084	22,969
Equity Segment Budget	19,928	20,726	21,555	22,417	84,625
Codes and Standards Budget	2,474	2,573	2,675	2,782	10,504
EM&V	1,159	1,205	1,253	1,303	4,921
ED Portfolio Oversight	0	0	0	0	0

CHAPTER 3
PORTFOLIO STRATEGIES

A. OVERVIEW OF 3C-REN PORTFOLIO

1. REN Criteria

This Application has been carefully crafted in accordance with CPUC guidance, including specific guidance for RENs as embodied in CPUC decisions, *e.g.*, D.19-12-021 and D.21-05-031. 3C-REN has examined CPUC directives and is confident that it fully meets regulatory requirements to effectively complement IOU programs, with a plan that identifies and responds to existing gaps and focuses on the hard-to-reach. RENs serve as PAs of energy efficiency programs. RENs do not implement IOU programs; instead, RENs develop and offer their own energy efficiency programs. RENs began as a regional pilot concept in D.12-05-015, which invited local governments to submit Program Implementation Plans (PIPs) for the 2013-2014 program years.[50] In D.12-11-015, the Commission approved the first two RENs for the 2013-2014 program years: BayREN and SoCalREN.[51] This Decision made clear that RENs are program administrators, not third-party programs or local government partnerships of IOUs, and that RENs "have the independent ability, within the confines of the approvals of their proposals granted by the Commission, to manage, deliver, and oversee their own programs independently, without utility interference or direction as it relates to the design and delivery of their programs."[52] Decision 12-11-015 authorized development of RENs as a pilot program administrator model to fill market gaps, with the following responsibilities:

- Leverage and package State and Federal resources so that energy efficiency programs

[50] D.12-05-015 at 149.
[51] D.12-11-015 at OP 2.
[52] *Id*. at 11.

are offered at lower costs to ratepayers,

- Address the water/energy nexus,
- Develop and deploy new technologies,
- Address workforce training issues, and
- Address hard-to-reach customer segments, such as low-to moderate-residential households and small- to medium-sized businesses.[53]

Decision 14-10-046 continued funding BayREN and SoCalREN as pilots for program year 2015.[54] When the Commission provided guidance for initial energy efficiency rolling portfolio business filings in D.16-08-019 it maintained the status of RENs as pilots.[55] Decision 18-05-041 continued the approach of allowing RENs to be program administrators and adopted business plans for years 2018-2025 for three RENs: BayREN, SoCalREN, and 3C-REN.

In D.19-12-021, the Commission provided additional guidance regarding the treatment of RENs as program administrators, solidifying RENs' role. The Commission stated,

> RENs have now been in existence since late 2012. As such, they are a reality within the landscape of the Commission's energy efficiency policy. Thus, we see no further purpose served by applying the label of 'pilot' to them.[56]

This decision also imposed additional requirements on new RENs.[57] The commission stated:

> Any new REN will be required to demonstrate unique value in achieving state goals, represent more than one local government entity, to coordinate with existing program administrators in their geographic area prior to filing their business plan, to vet their proposal with stakeholders through the California Energy Efficiency

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53 D.12-05-015 at 150.
54 D.14-10-046 at OP 1.
55 *Id*. at 127.
56 D.19-12-021 at 17.
57 *Id*. at 2.

Coordinating Committee (CAEECC), and to explain their REN governance structure in their business plan filing.

A key difference between RENs' role as program administrators compared to IOUs or CCAs is that RENs are constrained in the programs they can offer, a limitation that has been applied since the model was first authorized in 2012. In D.19-12-021, the Commission updated and clarified the limited role of RENs and the criteria that the Commission would use to evaluate whether to approve new or renewed REN business plans:

RENs must show new or unique value to the Commission's energy, climate, and/or equity goals, specifically:

- Activities that utilities or CCA program administrators cannot or do not intend to undertake.
- Pilot activities where there is no current utility or CCA program offering, and where there is potential for scalability to a broader geographic reach, if successful.
- Activities serving hard-to-reach markets, whether or not there is another utility or CCA program that may overlap.[58]

While the role of RENs may be more targeted than that of IOUs, it is nonetheless a critical component of California's energy efficiency framework. The Commission has repeatedly recognized the unique and growing importance of RENs within the energy efficiency landscape. In D.19-12-021, the Commission acknowledged that the importance of RENs may increase as budgets and roles for Local Government Partnerships (LGPs) decline within utility portfolios for a variety of reasons. The Commission further emphasized that local governments possess distinctive capabilities in delivering energy efficiency services, particularly in public sector

[58] D.19-12-021 at 26.

buildings, advancing building code compliance, and effectively serving HTR customers.[59]

Recently, in D.23-06-055, the Commission ordered the Joint PAs to collaborate among themselves and with stakeholders on numerous efforts related to quantifying and tracking activities and impacts of equity and market support programs, *e.g.*, equity and market support indicator clarification (Ordering Paragraph (OP) 11), non-energy benefits study and indicators (OPs 17, 18, 19), demographic data reporting (OP 23), community engagement indicators (OP 24), equity and market support goal constructs (OP 25), and community-based design process (OP 31).[60] These new indicators related to quity and market support, and the forthcoming equity and market support goals that will result from the groundwork ordered in OP 25, will serve as measures of REN performance, in addition to the existing REN portfolio requirements such as the REN criteria and unique value metrics. As noted by the Commission, "In particular, because the majority of the REN portfolios is dedicated to equity and market support offerings, new goals covering these primary purposes should be important accountability mechanisms for RENs."[61]

2. 3C-REN Objectives

3C-REN's portfolio objectives center on expanding equitable access to energy efficiency, increasing focus on EM&V and internal data analysis to track progress toward goals, delivering tangible benefits to communities, and intentional coordination across programs to reduce barriers and support sustainable growth in the region's markets for energy efficiency.

Expand Access and Reduce Barriers

Objective: Prioritize increasing participation and equity target communities by decreasing

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[59] D.19-12-021 at 32 (recognizing the increasing importance of RENs and the unique capacities local governments bring to public sector buildings, code compliance, and hard-to-reach markets).

[60] D.23-06-055 at 122-131.

[61] *Id*. at 71.

barriers to entry through simpler program pathways and locally tailored services. While 3C-REN already provides free, comprehensive service for equity participants, improved data will further help address maximizing long term savings. Improved data helps identify who is not being served, and where participation barriers exist, enabling target improvements for better program performance and customer experience.

Data-Driven Accountability

Objective: Increase focus on EM&V and internal analysis to inform continuous improvement. More robust data and structured feedback enable 3C-REN to better monitor portfolio progress against goals and adjust strategies as needed. Improving data to better understand participant pain points will strengthen accountability and help ensure local needs are being met.

Deliver Clear, Communicable Benefits

Objective: Provide tangible benefits to participants that can be easily communicated to audiences including, but not limited to, homeowners and tenants, local businesses, local workforce, farmers, code professionals, and stakeholders. These benefits include savings, technical expertise, and professional development opportunities.

Integration Across Portfolio

Objective: Intentional coordination across portfolio services to create seamless pathways across education, technical assistance, workforce development, and incentives. By reducing barriers related to geography, time, language, and cost, the program expands participation while strengthening a coordinated regional network of building professionals, trainers, community partners, and industry stakeholders. All programs are aligned to advance market readiness and create clear pathways from education and technical assistance to implementation and energy savings. Regular cross-program and portfolio-wide meetings ensure ongoing alignment across the

portfolio. Additional strategies are discussed throughout this Application. Stronger integration will ensure that 3C-REN shows up consistently in the community to establish long-term trust and impact.

3. Overview of 3C-REN Programs

In this Application, 3C-REN sets forth seven programs within Commission-prescribed areas. Specifically:

TCR-Ag-001: Agriculture Technical Assistance (Public-facing name: Agriculture Energy Solutions or AES): Growers indicate that they do not have the capacity to identify energy or water saving projects and navigate incentive programs. 3C-REN's agricultural sector program, proposed to continue in this Application, takes a relationship-based approach that relies on partnership-building and customized technical assistance to identify and implement projects and assist customers with incentives. Technical assistance may include, but is not necessarily limited to, benchmarking, energy assessments, referrals to complementary programs, and project management assistance to shepherd customers through participation processes. The program will provide specialized support for indoor and outdoor agriculture operations, water districts providing service to agriculture operation, other agriculture facilities/businesses and water-energy nexus measures. This program is also designed to meet the needs of underserved customer segments, with focused outreach to smaller producers and socially disadvantaged ratepayers. 3C-REN's agriculture program fills a gap in IOU agricultural programs, addresses the lack of water-energy nexus offerings in the agricultural sector, and deploy the need for locally-focused technical assistance to improve project implementation.

TCR-Com-001: Commercial Marketplace (Public facing name: Commercial Energy Savings or CES): 3C-REN's Commercial Marketplace program fills gaps in energy efficiency

program offerings and serves HTR customer segments. The Tri-County Region lacks delivery of IOU commercial sector programs, specifically, those benefiting small and medium-sized businesses located in leased or rented facilities. 3C-REN's commercial program provides technical assistance and incentives using a population Normalized Metered Energy Consumption (NMEC) Measurement and Verification (M&V) platform, with a special focus on DAC and HTR customers. In its first year, the program expanded access to energy efficiency resources for HTR businesses. Through strategic partnerships, multilingual support, and assistance for electrification projects, 3C-REN delivered measurable energy savings while strengthening local contractor networks and community relationships.

TCR-CS-001: Codes & Standards (Public facing name: Energy Code Connect or ECC): 3C-REN's Codes and Standards program is an existing program proposed to continue in this Application. The program will continue to bolster Tri-County's leadership in California Energy Code and Green Building Standards compliance and enforcement. It is designed to help building departments and professionals comply and adjust to codes and standards updates, through regional forums and provision of resources and training. The program will further support the region by coordinating with jurisdictions to develop local electrification plans for AB 39, engaging with consultants and building professionals to advance these efforts. The program fills a gap by delivering services that the utilities do not offer.

TCR-WET-001: Workforce Education & Training (Public facing name: Building Performance Training or BPT): 3C-REN's Workforce Education & Training Program is proposed to continue in this Application. The program fills a gap by acting as a regional training and resource hub on the latest building science practices and energy technologies. The region is far removed from IOU energy centers. The program supports disadvantaged workers with

technical and soft skill trainings, and high-performance buildings certification. The program focuses on targets current building professionals and those seeking new career and mentorship opportunities in residential and commercial design, construction, and related industries. 3C-REN partners with local and community-based organizations to ensure training and resources are accessible and meet the needs of building and construction workers.

TCR-CC-001: Energy Assurance Services (EAS): Recognizing the limitations of programs offered to public agencies and modeled after the County of Santa Barbara's Energy Assurance Services program, this commercial and public cross cutting initiative will identify energy savings opportunities and provide implementation support to facilities across both sectors. The existing EAS program is proposed to continue in this Application, and will continue to offer technical support, including audits and benchmarking, to achieve comprehensive load management, energy savings and resilience objectives.

TCR-Res-003: Single Family NMEC: (Public facing name: Single-Family Home Energy Savings or SF HES): 3C-REN's existing Residential Single-Family program is proposed to continue delivering measurable energy savings to HTR single-family households, using the NMEC model. The program implementer will deliver energy upgrades utilizing a network of energy efficiency installers (aggregators), paid incentives based on the metered savings achieved. Performance incentives will encourage aggregators to maximize customer savings and grid benefits. This program fills a gap in residential energy efficiency services in the region and serves HTR single family residential customers. It is the first NMEC program to target the residential sector.

TCR-Res-002: Multifamily (Public facing name: Multifamily Home Energy Savings): 3C-REN proposes to continue its Residential Multifamily program, which is designed to maximize

energy savings to HTR multifamily properties. The program requires three or more upgrades in a project scope, a percentage of which must directly benefit tenants, that achieve a minimum GHG savings per apartment in order to receive the maximum rebate. It includes site assessments, technical assistance, and incentives paid directly to property owners/managers. The program's incentive structure includes enhanced incentives for underserved properties and adders for high performance measures such as heat pumps, and the program's technical assistants work with property owners to identify and braid as many non-ratepayer funding sources as possible, to make projects more affordable for equity communities and to help stretch ratepayer dollars across more projects. This program serves eligible multifamily properties of 5 dwelling units or more, with a particular emphasis on HTR and affordable multifamily properties, and fills a gap in program services for multifamily customers in the Tri-County region.

B. PORTFOLIO STRATEGIES

3C-REN proposed a portfolio aligned with the strategies provided by Energy Division and overall Commission objectives. The section that follows discusses how 3C-REN's programs and activities implement and are proposed to continue implementing these strategies. Where a policy change is needed to enable 3C-REN's proposed approach, it is noted within the portfolio strategy response and also included in Chapter 11.

1. *Affordability and Mitigation of Rate Impacts*, consistent with Executive Order N-5-24

Portfolio Strategy #1: Advance affordability and mitigate overall rate impacts, consistent with Executive Order N-5-24

Background

California's RENs were created to ensure that communities historically underserved by IOUs have equitable access to energy efficiency services, capacity-building opportunities, and local economic benefits. While Executive Order (EO) N-5-24 focuses primarily on utilities and

state agencies as they work to reduce upward pressure on energy rates and manage long-term system costs, the RENs play a complementary and essential role: delivering cost-effective, community-driven programs that directly reduce energy burdens for residents, businesses, and public agencies.

Affordability is a foundational mission of every REN. With comparatively small budgets within the state's overall energy efficiency portfolio, RENs nevertheless provide high-impact, targeted services that lower bills, remove participation barriers, and address gaps in utility programs, particularly in disadvantaged, under-resourced, and HTR communities. RENs connect deeply with their communities' needs resulting in programs that help Californians to manage their energy costs today while supporting the broader statewide priority of maintaining an affordable and reliable clean energy future, as articulated in EO N-5-24.

Additionally, to ensure affordability efforts are not limited by overly strict program rules, eligibility frameworks should streamline requirements and incorporate implementer discretion so that vulnerable community members are not excluded due to technicalities. By reducing administrative barriers and preserving participant privacy, programs can expand participation and strengthen equitable access to bill-saving energy upgrades. Consistent with the recommendations of the CAEEC Equity Advisory Committee, 3C-REN views these actions as practical steps that can strengthen affordability outcomes across the portfolio. 3C-REN can expand participation, reduce participation barriers, and strengthen equitable access to cost-effective energy efficiency programs, consistent with EO N-5-24.[62]

[62] Initial Memo: Recommendations by the CAEECC Equity Advisory Committee, December 19, 2025. https://www.caeecc.org/_files/ugd/849f65_49c6081166b7453dacc9a73c9d6861dd.pdf.

3C-REN Strategies for Resource Programs

3C-REN will continue to promote affordability by offering its residential SF HES and MHES programs, which provide incentives that help residents and property owners in the tri-county region be more energy efficient and make their homes and properties safer, healthier, more comfortable and more resilient. From installation of heating and cooling systems to insulation and water heating upgrades, SF HES incentives for single-family homes prioritize customer bill savings, fuel-substitution, and occupant health and comfort. In the MHES program, property owners receive incentives for implemented energy upgrades that reduce energy usage and greenhouse gas (GHG) emissions, such as heat pump water heaters (HPWHs), heat pump HVAC systems, and heat pump pool heaters. The program emphasizes comprehensive, whole-building upgrades and electrification measures for HTR properties, targeting measures that deliver energy savings and bill reductions for both the property owners and tenants, while also providing significant non-energy benefits. For both of these programs, enhanced incentives are available for equity customers who may need additional support to realize home energy upgrades.

3C-REN's CES program promotes affordability and deep energy savings for small- to medium-sized businesses, nonprofits, and public agency facilities by reducing costs for upgrades and electrification measures that save commercial customers energy and money. The program emphasizes installation of HPWHs, upgraded refrigeration, and lighting primarily supporting local restaurants and markets to reduce energy usage, GHG emissions, and optimize operational costs.

3C-REN Strategies for Non-Resource Programs

Non-resource programs offered by 3C-REN for the market support and codes and standards segments also contribute to energy savings and affordability for customers, even though these programs do not claim savings for CPUC reporting purposes. 3C-REN’s AES Program enables small- to medium-sized farms and socially disadvantaged farmers with high energy consumption

to reduce energy usage and cost by providing technical assistance to identify savings opportunities and connecting farmers with funding sources to offset the cost of implementing energy efficiency upgrades. The EAS Program similarly provides technical assistance for public sector and commercial facilities for comprehensive load management, and referrals to incentive programs offered by 3C-REN and other PAs in the region. 3C-REN's ECC and BPT programs provide training and technical support to building professionals in the public and private sector to enable high-quality, code-compliant installation and permitting to ensure that energy efficiency measures installed through incentive programs and through regular market demand are achieving the energy and bill savings they are intended to deliver.

2. Optimizing TSB and Cost Effectiveness

Portfolio Strategy #2: Optimize TSB achievement and cost effectiveness, as well as TSB achieved per ratepayer dollar spent

In D.23-06-055, the CPUC reaffirmed the purpose of equity programs as achieving benefits that cannot as readily be monetized, saying that instead of applying a cost-effectiveness threshold to equity programs, the CPUC prefers to assess the specific benefits and outcomes they achieve, whether or not they can be monetized. REN portfolios have different purposes, rules, and accountability mechanisms, as discussed earlier in this chapter, and therefore are not constrained to the same cost effectiveness goals as IOUs. Nevertheless, 3C-REN has made concerted efforts in its equity segment resource programs to adjust its budget to Total System Benefit (TSB) ratio as mentioned in Chapter 4 to improve the cost efficiency of its incentive programs, and will continue to do so.

Optimizing TSB achievement remains central to maximizing the number of equity customers served with available ratepayer funding and the benefits to those customers. Prioritizing TSB alone could reduce participation of higher cost projects, that require higher incentives to serve

equity customers. This is at odds with the purpose of RENs. Rather than limiting participation, 3C-REN is expanding access within equity communities by improving program delivery, promoting incentive stacking with other available funding sources to stretch program budgets and reduce out-of-pocket costs for customers, and prioritizing high impact projects. These strategies will allow 3C-REN to improve TSB per ratepayer dollar ratio while stretching their limited resources further and increasing the number of participants that receive benefits.

3C-REN's portfolio includes equity segment programs in the Residential and Commercial sectors. 3C-REN's single family and multifamily residential programs are both continuing to grow, providing indoor air quality, health, comfort, safety, and energy savings benefits to residents of the tri-counties. The single-family program has demonstrated exponential improvements in both HTR participation and TSB achievement, reducing incentive multipliers significantly each year while reaching more HTR customers. In 2025, 68% of projects (235 of 342) were HTR. The program has also promoted stacking with other available incentives to stretch program budgets and keep costs low for customers, and has implemented innovative program design such as the Cuyama Home Energy Retrofit Program (CHERP) under the state Transformative Climate Communities (TCC) grant to ensure home energy retrofits in one of the most rural, isolated, and vulnerable locales at the intersection of the tri-counties.

The non-energy benefits of this approach are evident in communities such as New Cuyama in Santa Barbara County, uniquely vulnerable to climate disasters and power outages. Following HVAC and HPWH upgrades completed through the program, one resident, Ms. Mortenson, shared during a home visit, "As an old woman, I cannot tell you how important it is for me to finally feel safe and comfortable in my home." Through coordination and stacking with other programs, Ms. Mortenson was able to access solar and battery storage, ensuring no disruption during the frequent

power outages in New Cuyama. Her HPWH was made possible by 3C-REN incentives. The project stacked TECH Clean California incentives including HEEHRA and funds from the Cuyama Home Energy Retrofit Program (CHERP). 3C-REN staff provided essential concierge services to facilitate project funding and completion.

Figure 3-1: Ms. Mortenson (left) giving a tour of her home in New Cuyama to State and local officials in November 2025.

Figure 3-2: Ms. Mortenson excited to share her heat pump and new high-efficiency HVAC system.

Karen showing off one of the mini-splits in her new high-efficiency HVAC system. This project stacked TECH, HEEHRA, and CHERP funds. 3C-REN staff provided crucial concierge services to ensure this project happened and leveraged all available funding. The project would not have happened without 3C-REN staff support.

In 2025, 3C-REN's MHES program paid out $1,411,299 in rebates for upgrades to 605 units, 91% of which served equity target sites. Because the region has a disproportionately high share of renter households, the Multifamily program represents a critical pathway for achieving meaningful and equitable market impact. With current forecasts for 2028-2031 using the cost

effectiveness tool showing steady growth in savings and TSB, the MHES Program is forecasting to serve an increased number of equity target sites and increase dwelling units served each year.

3C-REN's CES program is also continuing to grow. The program provided $188,000 in upfront payments for 53 projects in 2025 ($1,085,000 expected in total payments), with 38% of projects for electrification, all of which served equity target customers. 3C-REN proposes to continue expanding these programs, providing equity customers with healthier, more comfortable homes, while reducing GHG emissions in the region.

To optimize TSB achievement across all equity programs, 3C-REN is further refining incentive structures and improving targeted outreach to increase the likelihood of project completion. 3C-REN also does regular pipeline monitoring to manage risks tied to incentive lowering including potential for reduced enrollment and contractor participation. These pipeline reviews enable 3C-REN to track uptake trends and adjust program requirements or incentive levels as needed to maintain participation while improving efficient budget spending.

Looking ahead, 3C-REN's optimization strategy includes lowering average incentive per project through improved program delivery efficiency, continued coordination and incentive stacking, and deeper integration between workforce development and market needs. This will result in better contractor capacity and reduced installation costs.

3. Advancement of Building Decarbonization

Portfolio Strategy #3: Advance building decarbonization activities in your EE portfolios

Regional Energy Networks are ideally-suited for delivering energy efficiency and decarbonization programs to HTR and underserved communities, and the Commission's evaluators have recommended that RENs increase their decarbonization efforts.

> RENs are in the unique position of being able to support more effectively CPUC policies and California's larger decarbonization goals through innovative solutions

> and scalable activities. For this reason, RENs should consider increasing efforts to create a pathway to electrification such as higher incentives and rebates, varying levels of incentives, and equity-focused multipliers that target low-income participants, DACs, and environmental justice areas.[63]

Decarbonization has been a significant focus for 3C-REN's portfolio in recent years, and is proposed to continue to increase over the next eight-year horizon. 3C-REN's decarbonization strategy is continuously shaped by their aging infrastructure stock and the rapidly evolving statewide policy and market conditions, including California's goal of installing six million heat pumps by 2030 through the California Heat Pump Partnership (CAHPP), anticipated California Air Resources Board policies aligned with phasing out gas furnaces and water heaters by 2030, and continued statewide investment in heat pump market transformation initiatives.

Within 3C-REN's region alone, there are approximately 388,000 single- and multifamily households that use gas furnaces and water heaters,[64] highlighting the scale of intervention required. At the same time, loss of certain statewide (TECH) and federal (HEEHRA) incentive funding streams and ongoing heat pump market characterization efforts[65] highlight the importance of regional programs that can address local market barriers. 3C-REN's regional programs address these equity barriers through a combination of financial support for energy efficiency and electrification, assessment of energy saving opportunities, workforce education and training, and technical assistance.

Consistent with recent statewide best practices and discussions from the CPUC's recent

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[63] EM&V Group A: Regional Energy Networks, Program Year 2022, California Public Utilities Commission, CALMAC ID: CPU0372.01, May 8, 2024, at 10.

[64] Determined using a combination of the US Census Bureau's American Community Survey data (variable B25040) for the tri-county area and the Energy Information Administration's Residential Energy Consumption Survey table HC6.8 for the pacific region of the United States.

[65] PY2022-PY2024 Residential Population Normalized Metered Energy Consumption (NMEC) Study, February 10, 2026. https://pda.energydataweb.com/api/view/4273/CPUC%20Group%20A%20PY2022-PY2024%20Residential%20Population%20NMEC%20Study%20Workplan.pdf.

Building Decarbonization Best Practices and Future Pathways Workshops,[66] 3C-REN emphasizes integrated program design that aligns electrification, energy efficiency, and load flexibility, supported by strong data systems and cross-sector coordination. Scaling these efforts effectively will require leveraging multiple funding sources and statewide data infrastructure to support cost-effective implementation of building decarbonization efforts across the 3C-REN region.

3C-REN's residential equity programs help residents in single family homes and multifamily property owners decarbonize by incentivizing energy efficiency upgrades and providing technical assistance in stacking other eligible funding sources to make projects more affordable. These projects include installation of heating and cooling systems, water heating upgrades, and insulation, among other measures.

The single-family program offers contractor incentives for projects that save energy, currently using a population normalized metered energy consumption (NMEC) program design. It is currently the only residential population NMEC program administered by a REN across the state, underscoring 3C-REN's leadership role in bringing innovative program designs to market, and meetings customers where they are, in alignment with AB 802 guidance. Nearly any project that results in metered energy savings is eligible for incentives, with enhanced incentives for electrification projects. Since its launch in 2022, HES has completed 841 projects that have removed approximately 111,733 therms from the grid. As of January 27th, 2026, the total project count has reached 1,194 installations, showing a sustained uptake in electrification and energy efficiency measures. In alignment with statewide heat pump adoption goals, HES places particular emphasis on electrification pathways that are accessible to equity target participants (HTR,

[66] Building Decarbonization Workshops, January 21 & 22, 2026. https://www.cpuc.ca.gov/about-cpuc/divisions/energy-division/building-decarbonization/building-decarbonization-workshops.

Underserved, and DAC) and low-income households.

Since its launch in 2021, the MHES program has continuously increased its emphasis on decarbonization, with enhanced incentives for high performance heat pump equipment, in alignment with CPUC evaluator recommendations for REN decarbonization efforts. As of early 2026 the MHES program has completed 37 projects completed, with 27 of those projects involving electrification, displacing approximately 179,124 therms. In 2025, 92% of all MHES projects were electrification projects.

Through these single family and multifamily programs, 3C-REN directly supports decarbonization efforts in the residential sector, leading to a reduction of approximately 176 tons CO2e for single family homes and 206 tons CO2e for multifamily homes in 2025.

3C-REN is also making concerted efforts to engage more with participants through the program experience for not only more continuous feedback and process improvement of the HES program, but also as an opportunity to educate residents about expected savings and help address concerns about potential bill impacts from electrification. Through these incentives, HES advances building decarbonization within 3C-REN's EE portfolio by accelerating adoption of electrification and envelope measures in both single- and multifamily housing. To strengthen and scale this decarbonization pathway, 3C-REN conducted an EM&V participant research effort for HES-SF to better understand how the program is experienced by participants and to identify barriers, motivators, and opportunities to increase uptake, particularly for priority populations. This study focused on customer journey and process insights, using participant feedback to assess awareness and enrollment pathways, decision drivers, satisfaction, and perceived benefits and concerns (including perceptions related to expected savings and bill impacts). Findings are being used to refine outreach and messaging, enhance participant support, and improve program delivery to

further accelerate decarbonization across the portfolio.

The Commercial Energy Savings (CES) Program, launched in October 2024, also promotes decarbonization among small- to medium-sized businesses, nonprofits, and public agency facilities in the tri-county region. Incentives are offered to contractors for energy upgrades such as heat pumps for HVAC and water heating, lighting, building envelope, and refrigeration. The program emphasizes comprehensive, whole-building upgrades and electrification measures, reflecting recent emphasis on integrated design principles at the CPUC Building Decarbonization Workshops. Similar to the single-family program, CES utilizes a population NMEC program design which measures a baseline of energy usage prior to installation, and progress is monitored for a year after project completion. This ensures that energy and GHG savings will be realized. CES has facilitated some of the earliest small-to-medium-sized business electrification projects in the state with approximately 38% of 2025 projects being electrification projects. In 2025, overall CES completed a total of 53 projects that removed approximately 36,113 therms from the grid. Through these incentives, CES directly supports decarbonization efforts in the commercial sector, leading to a reduction of 255 tons CO2e for local businesses.

3C-REN's Codes and Standards Program, Energy Code Connect (ECC), aims to establish the tri-county region as a leader in California Energy Code and Green Building Standards compliance and enforcement. Through education and technical assistance, professionals in both the public and private sectors are equipped with the knowledge and training to increase comprehension, compliance, and enforcement of California’s energy and green building codes. With more than 816 total attendees for ECC trainings and forums in 2025, 3C-REN will continue to ensure a strong network of professionals who are effectively able to implement California’s green building codes to further decarbonize the tri-county's building stock. By strengthening code

compliance and market readiness, ECC supports long-term electrification pathways and reduces the need for costly retrofits by encouraging proper sizing and installation practices.

3C-REN's Workforce Education and Training Program, Building Performance Training (BPT), supports decarbonization by fostering a thriving local workforce that possesses the knowledge and skills to design, build, retrofit, and sell high-performance buildings. The program delivers training events that enable the local workforce to develop the skills essential for creating and communicating about high-performance buildings, including electrification technologies such as heat pump water heaters and heating and cooling. An example of this is the partnership 3C-REN has had with the Centers for Employment Training (CET) in Oxnard and Santa Maria since 2022. CET is an economic and community development corporation that offers an affordable pathway to get skills needed for meaningful work and self-sufficiency. To complement the HVAC and green construction programs offered by CET Oxnard and Santa Maria, 3C-REN brings in guest instructors to supplement heat pump and building envelope education. When 3C-REN realized CET students weren't learning about heat pump water heaters, staff coordinated with manufacturers to facilitate equipment donations to the school, where heat pump water heater education is now standard to these programs.

Figure 3-3: Faculty surrounding one of the heat pump water heaters 3C-REN donated to the Centers for Employment Training (CET) in Oxnard and Santa Maria.

The program targets local building professionals, such as contractors, HVAC technicians, electricians, plumbers, engineers, architects, certified energy consultants, and real estate professionals. As of 2025, 1,900 total participants attended BPT trainings, and 3C-REN will continue to grow the network of decarbonization professionals in the tri-county area.

The Energy Assurance Services (EAS) Program provides tailored energy audits for critical facilities within the tri-county region, including decarbonization measures for these facilities. Energy audits conducted by the program are customized to meet the specific needs of each facility, including energy efficiency and comprehensive load management. In addition to resilience recommendations, the audits provide detailed plans and recommendations for reducing carbon

emissions. This helps facilities align electrification planning with load flexibility and long-term grid solution strategies.

Lastly, the relatively new Agriculture Energy Solutions (AES) Program offers specialized support to farmers with high energy consumption, such as those in controlled environment agriculture, by identifying opportunities for energy efficiency improvements and supporting their implementation. This technical assistance program provides utility bill analysis, facility assessment, and energy benchmarking to help these farmers reduce energy usage and GHG emissions from these facilities. By combining technical assistance with data-informed benchmarking, AES supports cost-effective scaling of decarbonization in a HTR sector while leveraging broader statewide data infrastructure where available.

4. Electric Savings at Peak Times

Portfolio Strategy #4: Focus electric savings at peak times with high avoided cost and TSB

The achievement of peak electric savings is embedded in 3C-REN's programming to maximize both grid benefits (*e.g.*, TSB) and participant bill benefits from lower electric costs. Peak hours that are of priority in 3C-REN's territory are mostly from 4-9 p.m. on weekdays and are designated by SCE and PG&E in 3C-REN's territory for those on time-of-use rates. Time-of-use rates are available for 3C-REN residential (single-family and multifamily), commercial, and agricultural program participants. Time-of-use rates are advantageous for those who can either shift energy use away from those peak hours or reduce usage during those hours consistently.[67]

For 3C-REN's HES-SF, Multifamily HES and CES program, there are also several

[67] SCE Time of Use Rate Plans: https://www.sce.com/save-money/rates-financing/residential-rate-plans/time-of-use-plans, PG&E Time of Use Rate Plans: https://www.pge.com/en/account/rate-plans/time-of-use-rate-plans.html, Agriculture Pumping Energy Rates | SCE: https://www.sce.com/business/rates-financing/rate-plans/agriculture-pumping, PG&E Electric Schedule AG: https://www.pge.com/tariffs/assets/pdf/tariffbook/ELEC_SCHEDS_AG.pdf.

program offerings that were selected to reduce peak electric usage. Electric HPWHs installed have the capability to be grid-tied for two-way communication and programmed to heat water tanks during off-peak hours. While electrification can increase electric load, it is a viable pathway to better manage and shift loads. Participants are offered on-demand recirculation pump controls to run water heaters only when needed. Smart thermostats are also available for installation and allow the capability to be grid-tied and to schedule ramping of heating and cooling temperatures during off-peak hours. Participants are also provided information on how to enroll in grid-tied utility programs to obtain additional benefits such as information on the PG&E Watter-Saver Program.[68]

Concierge education, training, and technical assistance are key 3C-REN strategies for addressing peak savings for both resource and non-resource programs. For SF-HES and CES, both programs have dedicated concierges that can provide customers with insight and guidance on rate schedules and offer strategies for electric savings. For 3C-REN's AES Program, recommendations on rate schedules and options for demand response are provided in energy audit reports. For 3C-REN's Energy Code Connect Program (ECC), training is provided on not only energy efficiency measures installed as part of HES, MHES and CES programs, but on other technologies and full systems that can work together with energy efficiency measures to lower peak usage. For example, trainings and workshops cover energy efficiency, energy code updates, heat pump water heater permitting and installation, and sector-specific applications of the building energy code. Through customer education across sectors and incentivizing load shifting measures, 3C-REN advances both grid value and affordability.

[68] How it Works – Watter-Saver. https://www.watter-saver.com/how-it-works/.

5. Use of Meter-Based Savings Measurement

Portfolio Strategy #5: Use of meter-based savings measurement

3C-REN's strategy is grounded in data-informed decision making and interactive processes focused on the foundational work needed to support meter-based programs. Pursuing NMEC early has positioned 3C-REN to build experience and refine the approach to enhance and expand meter-based savings programs. Comparing forecasted and measured savings supports better planning and transparency, and better data informs better decisions for program design, forecasting, and incentive structures.

3C-REN's Single-Family HES Program offers incentives for homeowners to reduce their energy usage. 3C-REN's program implementors complete energy upgrades utilizing a network of energy efficiency installers (aggregators), providing paid incentives based on the metered savings achieved. Performance incentives encourage these aggregators to maximize customer savings and grid benefits. Since meter-based savings inform incentive payments, 3C-REN has incentivized aggregators to provide more precise forecasts over time leading to higher realization rates. Experience administering the Single-Family HES program has informed how 3C-REN addresses aggregator needs, improves customer experience, and calibrates incentive levels and multipliers for customers to address affordability while maintaining strong participation.

3C-REN's CES program targets small to medium businesses (customers) and provides paid incentives to aggregators based on the achieved metered energy savings. Performance incentives encourage aggregators to maximize customer savings and grid benefits. Since meter-based savings inform incentive payments, 3C-REN has incentivized aggregators to provide more precise forecasts over time leading to higher realization rates.

Across both programs, meter-based measurement supports efforts to address affordability using actual bill savings data and to inform outreach to a limited workforce in a difficult market.

In October 2024, the programs reached a significant milestone when they received comprehensive meter data from the three IOUs. These datasets enabled the programs to conduct performance measurements for projects submitted to-date and to accurately pay incentives based on metered energy savings. 3C-REN is better able to provide energy savings data and corresponding incentives to commercial program participants.

Ongoing EM&V activities, including customer experience research in the Single-Family NMEC program and on-site verification in the Commercial NMEC program, provide feedback loops that support continuous improvement. 3C-REN also assists on other research efforts, including coordinating with a CEC research project on the non-energy benefits of fuel substitution in the 3C-REN region. The results of this project will further inform program strategy and help provide customers in the region with information about the non-energy benefits of such programs. 3C-REN prioritizes listening closely and adapting to community needs in challenging times, including outreach to Spanish-language customers and workforce partners that goes beyond translation. Together, these efforts support a meter-based strategy that is iterative, data-driven, and responsive to customer and market needs.

6. Promote and Deploy Exempt Measures in the Equity Segment

Portfolio Strategy #6: Promote and deploy "exempt measures"[69] in the equity segment, including targeted outreach and engagement and pilots to identify and develop solutions for key barriers, needed education and training/workforce readiness and technical assistance, and other relevant elements. In developing these strategies, PAs should evaluate barriers faced by specific customer types, including small business customers and tenants of multifamily buildings, relating to the implementation of exempt measures (OP 6 and COL 3, D.23-04-035)

3C-REN's Single-Family HES Program includes a variety of home energy savings upgrades and while there is no prescriptive measure list, there must be an approved work paper for

[69] As defined by D.23-04-035.

the installed measures. While many projects include water heaters and heating and cooling systems, incentives can be paid for ceiling and wall insulation and building envelope improvements. 3C-REN's Multifamily HES Program similarly includes opportunities for a variety of energy savings upgrades. Property owners must complete an initial site assessment to confirm site conditions and identify energy efficiency opportunities. Project scopes for building upgrades must include at least three measures and meet a minimum threshold of GHG savings equivalent to 0.25 MT CO2e per unit. There is no prescriptive list of measures to choose from: any upgrades that achieve GHG savings (and have an approved work paper) qualify for the program, and upgrades can be made in both common areas and tenant units. In recent years, measures implemented in the Multifamily program that align with the exempt measure definition have included low-flow showerheads, aerators, ceiling and pipe insulation, demand controls for water heaters, and smart thermostats.

A major challenge to participating in the Single-Family HES Program is that existing and aging single-family homes remain inefficient and costly to upgrade, and notably, electrification requires higher upfront costs. Upgrades are hardest for equity target participants (HTR, DAC, and underserved). In parallel with its efforts to encourage electrification for participants, 3C-REN will work to increase adoption of exempt measures by those customers who cannot electrify, by leveraging actual program data to help homeowners make data-informed decisions based on costs and savings, focusing on the measures that will have the most positive impact. 3C-REN will continue to leverage local government staff's existing relationships and partnerships with community-based organizations to build trust and ensure equity target participants benefit from energy upgrades.

In general, a major barrier facing multifamily tenants in accessing energy efficiency

benefits is the challenge of "split incentives" in which the property owner is hesitant to invest in equipment upgrades when the tenants are who benefit from the energy savings. For the 3C-REN Multifamily program, the program design focuses on comprehensive high-performance whole-building retrofits and does not offer gas-to-gas appliance upgrades. Due to the savings threshold for project qualification, non-electrification projects frequently fall under the required minimum savings. To better promote and deploy exempt measures for multifamily customers who cannot electrify, 3C-REN will continue to utilize our comprehensive project design framework to provide an expansive list of available measures and adder incentives for envelope improvements, including measures such as attic insulation and window upgrades. Additionally, all underserved properties will automatically qualify for enhanced incentives for envelope measures.

3C-REN will also further enhance and expand program tracking methodology to monitor these measures effectively. For projects that do not meet the minimum threshold for GHG savings, a partial pathway with a reduced incentive level is available. 3C-REN is evaluating the feasibility of requiring exempt measures as mandatory components within this partial pathway, where appropriate. 3C-REN will enhance its technical assistance to property owners and managers, helping them to answer technical questions and successfully complete projects, while building ongoing relationships to continue implementing projects down the line as funding allows. Additionally, 3C-REN will expand its educational materials and outreach events to explain benefits of exempt measures to property owners and show examples of previous successes in the region, while growing partnerships with community organizations to expand the reach of program marketing.

3C-REN's CES Program provides incentives for energy efficiency upgrades for small- to medium-sized businesses, nonprofits, and public agency facilities. Incentives are offered to

contractors for exempt measures, including lighting, building envelope improvements, and more efficient refrigeration. The program emphasizes comprehensive, whole-building upgrades, with incentives and technical assistance that support installation of measures, such as insulation, that drive down the overall demand for energy loads, particularly related to therms and gas appliances

Extremely limited capacity and small margins deter small business owners from participating programs like the CES Program. Small business owners also face a knowledge barrier around many of these exempt measures. Business owners who rent their commercial space face similar barriers to participation as residential renters with landlords or property managers who are uninterested in participating in energy upgrade programs. Through its dedicated concierge support and targeted collaborations, this program will help absorb tasks that would otherwise fall on small business owners with limited time and capacity, encouraging program participation. Additionally, this program allows business owners to layer incentives with local and statewide programs to reduce upfront project costs, while helping customers navigate additional financing options that can further support participation and project adoption.

7. Advancing Environmental and Social Justice (ESJ) Action Plan Goals

Portfolio Strategy #7: Increase progress on CPUC's ESJ Action Plan goals. Reference the specific ESJ Action Plan Goals and the EE portfolio strategy. Describe your approaches to advancing these goals.

Equity, as defined in the CPUC's ESJ Action Plan 2.0,[70] with a particular emphasis on the goal of delivering energy efficiency to HTR, underserved, and disadvantaged communities, is embedded in the mission and structure of California's RENs. 3C-REN's approach to ESJ centers on governance and access, elevating community needs in program design, strengthening local

[70] Environmental and Social Justice Action Plan, Version 2.0, CPUC (Apr. 7, 2022), https://www.cpuc.ca.gov/ESJactionplan/.

capacity to participate in clean energy planning, and creating pathways for long-term involvement in the clean energy economy. Through locally tailored initiatives, RENs translate ESJ Action Plan priorities into practical, community-responsive solutions that promote more equitable outcomes. 3C-REN's programs align with and support multiple ESJ goals. The following sections detail which ESJ goals 3C-REN's programs address and how.

Goal 2: Increase Investment in Clean Energy Resources to Benefit ESJ Communities

3C-REN's programs are designed to fill gaps in IOU offerings and support equity communities within the tri-county region. Both of 3C-REN's HES programs directly dedicate energy investments to ESJ communities. In 2025, approximately 70% (240) of single-family HES projects and 58% of multifamily HES projects (7) served equity target customers. The most popular use for incentives for these programs is for heat pump HVAC systems and retrofits and heat pump water heaters, increasing clean technology investments for equity customers. 3C-REN's program will expand in coming years, furthering this investment.

Additionally, 3C-REN's CES program offers incentives to install energy-saving improvements for small-to medium-sized businesses, nonprofits, and public agencies. CES provides greater incentives for HTR customers who may need additional support to achieve energy upgrades, supporting commercial customers who may be otherwise underserved. With a program launch year serving 100% HTR customers, 3C-REN's CES program is well positioned to continue these clean energy investments for businesses in underserved communities.

3C-REN's technical assistance programs, AES and EAS, target underserved, small- to medium-sized farms and community facilities in rural, socially disadvantaged, and HTR areas. Both programs offer technical assistance to connect facilities with incentive programs and other funding opportunities for energy upgrades, providing clean energy investments. Collectively, these programs dedicate clean energy resources to underserved communities, with a specific focus on

equity/ socially disadvantaged populations and HTR customers. 3C-REN will continue to expand this program and its impact

Goal 4: Increase Climate Resiliency in ESJ Communities

Building climate resilience requires strong local systems and the ability to effectively prepare for and respond to climate-driven challenges, including secondary impacts such as power outages. 3C-REN's EAS program is designed to promote climate resilience in the tri-county region by offering tailored energy audits for critical facilities. The region consists of underserved local governments, a high percentage of rural and HTR populations, and a multitude of critical facilities that provide essential services to the community during emergencies or power outages. Critical facilities that can be supported by this program include locations like community centers, libraries and churches, increasing resiliency for ESJ communities. Additionally, Single-Family and Multifamily HES programs provide HVAC offerings that will equip individuals and families in ESJ communities with measures that offer a more reliable way to stay comfortable during larger temperature difference days that are being experienced more frequently now in 3C-REN's communities.

Goal 5: Enhance Outreach and Public Participation

Effective community participation depends upon access to information, trusted engagement channels, and program delivery structures that reflect local conditions. As a PA led by local governments, 3C-REN is uniquely positioned to advance meaningful public participation in energy efficiency and decarbonization programs within the Tri-County Region. Unlike IOUs, 3C-REN operates as a mission-driven public entity embedded within county government. This institutional position enhances transparency, accountability, and trust—particularly among communities that may not participate directly in formal Commission proceedings but are nevertheless affected by Commission policies and program design.

3C-REN expands access to clean energy programs through sustained partnerships with local governments, nonprofit organizations, educational institutions, and community-based organizations. These partnerships enable culturally and regionally tailored outreach strategies that reflect the geographic isolation, linguistic diversity, and socioeconomic characteristics of San Luis Obispo, Santa Barbara, and Ventura Counties. By leveraging existing local relationships and trusted messengers, 3C-REN ensures that residents, businesses, and community-serving organizations receive accessible information about available programs and opportunities.

The ECC program exemplifies 3C-REN's commitment to accessible education and stakeholder engagement. Through regional forums, trainings, and the Energy Code Coach service, ECC provides building professionals and local jurisdictions with technical support to understand and implement California's energy and green building standards. The quarterly Codes & Standards Forums convene contractors, designers, and public sector staff to share updates, address implementation challenges, and strengthen regional compliance capacity. These forums function not only as technical education opportunities, but also as platforms for ongoing dialogue among market actors.

Similarly, the BPT program operates as a regional workforce education hub, providing accessible training and certification pathways to building professionals, entry-level workers, and students. By partnering with community colleges, trade associations, and workforce development entities, 3C-REN expands participation in the clean energy economy and reduces barriers to entry for disadvantaged workers. Offering trainings locally—both in-person and online—addresses geographic and logistical barriers that have historically limited access to professional development in the Tri-County Region.

3C-REN's equity-focused residential programs further demonstrate its commitment to

inclusive participation. The single-family HES program prioritizes HTR, DAC, and underserved customers, and leverages partnerships with community-based organizations to facilitate outreach and trust-building. The multifamily HES program works directly with property owners, affordable housing providers, and nonprofit housing organizations to overcome split-incentive barriers and ensure that tenants benefit from energy efficiency upgrades. These programs are intentionally designed to expand participation among customers who have historically faced structural barriers to accessing program offerings.

In the commercial and public sectors, the EAS program reinforces 3C-REN's role as a trusted local advisor. EAS provides technical assistance, benchmarking, and project development support to small businesses, special districts, nonprofits, and public agencies that frequently lack the internal capacity to navigate complex funding and procurement processes. By offering hands-on support and coordination with other program administrators, 3C-REN enables broader participation and helps ensure that smaller or rural jurisdictions are not excluded from clean energy opportunities.

As discussed in Chapter 6 and Chapter 11, 3C-REN's policy recommendations are informed by its direct engagement with local stakeholders. These recommendations reflect practical experience gained through ongoing outreach and program delivery, and they are intended to reduce structural barriers to participation.

Through these coordinated outreach, education, and technical assistance strategies, 3C-REN advances the ESJ Action Plan's objective of increasing meaningful participation and equitable distribution of program benefits. By embedding program delivery within trusted local institutions and maintaining sustained engagement with regional stakeholders, 3C-REN strengthens public participation in energy efficiency programs, even for communities that may not

otherwise engage in Commission processes. This relationship-based, locally grounded approach is a defining characteristic of 3C-REN as a PA and a key element of its commitment to equitable clean energy implementation. processes.

Goal 7: Promote High Road Career Paths and Economic Opportunity

As regional agencies, RENs are specifically designed to reach, upskill, and grow members of the energy efficiency workforce that would otherwise be left out of the energy transition, filling gaps in offerings from other providers. This includes building up new members of the workforce in areas with lower contractor availability and participation. Additionally, for contractors who are looking to expand their skills, the pathways for obtaining additional certifications can be complicated, costly, and limited by timing or distance.

3C-REN supports energy efficiency-related economic development in ESJ communities through high-road workforce and business development initiatives. 3C-REN's WE&T program, Building Performance Training, fosters a thriving local workforce that possesses the knowledge and skills to design, build, retrofit and sell high-performance buildings. Workers have access to no-cost online webinars, in-person and on-demand trainings, mentoring opportunities, certifications from partners, and networking. This program prepares residents for careers in the growing clean energy and building sectors, emphasizing skill-building and upward mobility, targeting local building professionals such as contractors, HVAC technicians, electricians, plumbers, engineers, architects, and certified energy managers. Prospective workers are also engaged through events in partnership with local educational institutions. 3C-REN will continue to support local workers and small businesses, growing a more diverse clean energy workforce and expanding high-road opportunities within the regional economy.

Additionally, 3C-REN's Energy Code Connect program provides educational and technical support in the form of no-cost trainings, forums, partner certifications, and personalized

building code assistance through Energy Code Coach. Offerings support to building professionals with comprehension, compliance, and enforcement of California's energy and green building codes.

Goal 9: Monitor the CPUC's ESJ Efforts to Evaluate How they are Achieving their Objectives

3C-REN will collect demographic data across a suite of programs, which will allow 3C-REN to assess who is being reached by each program, with special attention to assessing the how well equity populations are being served. In 3C-REN's preferred approach described in Portfolio Strategy #10, demographic data is most applicable to Residential, Public, Commercial, and WE&T programs, which will allow 3C-REN to assess program participation from equity households, underserved jurisdictions, small and disadvantaged businesses, and disadvantaged workers, respectively. In general, equity-focused programs should track demographic data to ensure they are being delivered equitably. Additionally, WE&T programs should collect demographic data to monitor participation among disadvantaged workers and assess workforce development impacts. 3C-REN will implement this demographic data tracking to the residential, public, commercial, and WE&T programs.

8. Supporting Integrated Demand Side Management (IDSM)

Portfolio Strategy #8: If you would like to pursue integrated demand-side management (IDSM) activities within your portfolio, propose your strategy including technologies, target customer engagement tools, etc.

3C-REN proposes to continue its current strategy to support IDSM by integrating IDSM education and technical assistance into existing program touchpoints, leveraging partnerships to align funding streams and reduce participant barriers, and building regional workforce capacity to support emerging IDSM technologies.

This strategy requires a policy update, and the rationale is explained as follows. 3C-REN strongly recommends that the Commission continue to allow IDSM activities under the rules

specified in D.23-06-055,[71] in 2028 and beyond, through the application process used for all other program proposals.

Decision 23-06-055 specified an opportunity for PAs to offer IDSM programs and activities in the 2024-2027 portfolio period but did not specify how these activities might continue in 2028 and beyond. IDSM programs and activities, originally approved via Advice Letter as required in the previous application decision, should now be able to be proposed to continue via Business Plan Application (BPA) filings such as this one. This is especially important given the delay between IDSM Advice Letter submittals and approvals, which has meant that PAs are only now ramping up their IDSM activities in parallel with preparing these business plans.[72]

The application decision to approve 2028-2035 portfolios should include specific language allowing IDSM programs and activities to continue and flourish as ongoing efforts proposed and approved alongside other programs through the application process, rather than Advice Letter-based ad hoc initiatives constrained by single-portfolio-period timeframes as in D.23-06-055. This will provide some degree of assurance that programs could (if approved via the more predictable timing of the application process) continue for a longer term, so that programs can begin providing IDSM services, data can be collected, and IDSM benefits can be measured and programs refined on an ongoing basis.

In its proposed BPA budget, 3C-REN plans to continue its IDSM activities with $4 million budgeted across all segments for 2028-2031. This is in-line with D. 23-06-055 as the $4 million is less than 2.5% of the total 3C-REN portfolio budget.

3C-REN will be integrating IDSM activities into multiple programs as submitted in their

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[71] D.23-06-055 at 77-80, Conclusion of Law (COL) 41.

[72] 3C-REN submitted its IDSM Advice Letter (Advice Letter 10-E/9-G) on March 15, 2024. It was approved by the Commission in Resolution E-5387, which was adopted on September 18, 2025.

2024 Advice Letter 10-E/9-G. This opportunity has already allowed 3C-REN to expand technical assistance offerings by collaborating with local partners administering a California Energy Commission REACH 2.0 Electric Vehicle Supply Equipment (EVSE) grant. Multifamily properties slated to receive REACH 2.0 funding are now eligible to receive 3C-REN's traditional energy efficiency technical assistance as well as new EVSE technical assistance.

Through its existing Multifamily, Energy Assurance, and Agriculture programs, 3C-REN proposes to expand upon no-cost technical assistance (TA) offered through those programs to provide education and technical support related to distributed energy resources that may complement energy efficiency and electrification projects that are core to these programs.

For all technical assistance and incentive programs, including Single-Family, Multifamily, Commercial, Agricultural, and Energy Assurance Services, 3C-REN will provide referrals to programs that offer support of incentives for IDSM and assist participants in funding applications. Under Building Performance Training, IDSM trainings are also offered, such as "Renewable Energy, Energy Storage, and Resiliency."

In the agricultural sector, where reliability is a concern for refrigerated warehouses, food processing equipment and electric irrigation pumps, 3C-REN will expand assistance and referrals to demand response (DR) and distributed energy resources (DERs) opportunities.

3C-REN's cross-cutting and public sector offering, Energy Assurance Services, delivers tailored technical assistance achieve goals related to energy efficiency resiliency, sustainability, and complementary interventions. This includes preparing participants to implement DERs as a reliability measure to address power shutoffs and design specification for renewable energy and storage

3C-REN is seeking flexibility to leverage EE funds to provide integrated energy services

and technical assistance to the pipeline of underserved multifamily (MF) properties. Similar to other residential building types, MF properties benefit from the inclusion of incentives for distributed energy resources and energy storage measures, as well as enhanced incentives for building envelope interventions, heat recovery ventilation systems, and smart appliances, to reduce electricity consumption. Integrating IDSM offerings with core energy efficiency measures can further enhance these benefits by aligning load management strategies with electrification and efficiency upgrades.

When thoughtfully designed, IDSM-enabled measures—such as demand-responsive appliances, battery storage, and load-shifting technologies—can help reduce peak demand charges and stabilize electricity usage patterns. These strategies have the potential to offset renter energy bills, particularly in individually metered multifamily units, by lowering overall consumption and reducing exposure to higher time-of-use rates. By coupling energy efficiency with IDSM capabilities, 3C-REN can support deeper savings, improve grid responsiveness, and deliver more durable bill relief to underserved tenants.

9. Advancing Workforce, Education, and Training

Portfolio Strategy #9: Increase workforce education and training to better deliver quality EE installations

3C-REN's WE&T program prepares residents for careers in the clean energy and building sectors, supporting high-quality energy efficiency installations by targeting local building professionals including contractors, HVAC technicians, electricians, plumbers, engineers, architects, and certified energy managers. Prospective workers are also engaged through events in partnership with local educational institutions. Training topics include effective building envelopes, ventilation basics, heat pump technology, building standards such as Passive House, and sales skills to market energy efficiency. 3C-REN's trainings engage a myriad of professionals

who, collectively, create a pipeline for effective energy efficiency installations in the tri-county region, and 3C-REN will continue to grow this program in the coming years.

Additionally, 3C-REN's Energy Code Connect program provides educational and technical support to building professionals to increase comprehension, compliance, and enforcement of California's energy and green building codes. This program caters to regional energy workforce by extending services to jurisdictions, architects, engineers, energy consultants, contractors from various trades, and more, who each have a role in enacting green building codes. 3C-REN will continue to grow the Energy Code Connect program to support compliance and comprehension of the building energy code, plus ongoing partnerships to increase Energy Code Compliance rater certifications and Certified Energy Analyst offerings from the California Association of Building Energy Consultants.

To improve the connection between workforce development and program delivery, 3C-REN is more intentionally aligning WE&T activities with the equity programs. By establishing feedback loops with program aggregators and implementers to better understand skill gaps and installation challenges, 3C-REN will have targeted training topics that prepare participants to meet program technical requirements and quality installation standards. This is already occurring naturally and formalizing a framework will only strengthen this connection.

Zev Marmorstein, the President and Owner of Rincon Plumbing, a Single-Family program aggregator based out of Santa Barbara, has already taken full advantage of 3C-REN's WE&T activities to elevate his craft and customers' experience. Zev first connected with 3C-REN in 2023 as a Single-Family aggregator and enrolled approximately 17 heat pump water heater projects. He has since participated in nearly 20 3C-REN events, including workforce development trainings, to strengthen technical skills. These include hands-on and in-person HPWH installation training, and

several modules of 3C-REN's High Performance Fundamentals certificate program, which cover the foundations of building science and deep dives into heat pump technology. Rincon Plumbing represents a new generation of contractors on the Central Coast, where an aging workforce is seeing long-term plumbers retire from the trade. The more intentional connection of WE&T with equity programs will only strengthen the new generation of contractors in the region.

Figure 3-4: Zev Marmorstein of Rincon Plumbing (left), with homeowner Tal Avitzur cutting the ceremonial ribbon to mark the conversion to green appliances at his home, along with Prof. Leah Stokes, Rep. Salud Carbajal, Lisa Avitzur, and Juan Lares of the CEC.[73]

On-call technical assistance for enrolled contractors, "Ask the Expert" office hour style series, in-person contractor bootcamps, contractor mentoring cohorts, on-demand certification opportunities, and hands-on trainings also highlight the intersection between incentive programs and workforce development. 3C-REN will also create structured pathways for WE&T participants

[73] Caitlin Scialla, "Ribbon-Cutting Ceremony Unveils a New Era of Electrification," Santa Barbara Independent, August 23, 2024.

to transition into active participation in equity programs by marketing program opportunities to qualified trainees, facilitating introductions to aggregators and contractors, and highlighting available incentives and concierge services. By aligning recruitment and outreach with the needs of equity programs, 3C-REN will help ensure that local workers are aware of and prepared for immediate employment and contracting opportunities within the regional energy efficiency market.

10. Reporting Demographic Data

Portfolio Strategy #10: Propose your preferred approach to regular reporting of demographic energy efficiency program participation information, as required by D.23-06-055 (OP 23).

3C-REN's preferred approach to regular reporting of demographic energy efficiency program participation information is described here and included in the OP 23 deliverable included in Exhibit 4 of this application.

3C-REN strongly prefers that customer demographic data should be voluntary and not a requirement for program participation. 3C-REN's service territory has been directly affected by recent immigration enforcement activity and the agricultural regions have seen significant ICE activity over the past year.[74] This has created fear and uncertainty among immigrant and mixed-status households in the region and reduces willingness to engage with government and utility-related programs, especially when requiring personal or demographic information.

3C-REN recommends that demographic data should be collected indirectly such as through geospatial and publicly available data, wherever possible, to determine eligibility based on equity community criteria. The most efficient way to collect this data is recommended through CEDARS,

[74] *See*, for example: Ventura County ICE raid: Farmworker killed, others unaccounted for, union says | FOX 11 Los Angeles (July 11, 2025); ICE activity swarmed on the CA Central Coast | Sacramento Bee (Dec. 31, 2025); ICE activity hurts Central Coast business | Pacific Coast Business Times (Feb. 5, 2026).

using mapping software to layer addresses on census tracts and provided utility account information, to analyze demographic participation without additional data inquiries of participants. However, for programs that do not collect addresses, this approach would require a significant time investment to implement. Indirect data collection approaches allow 3C-REN to evaluate equity outcomes while minimizing participation deterrence and supporting inclusive access to programs

While more comprehensive demographic data collection can improve equity tracking and program design and should be pursued, it is important to note that there are diminishing returns to pursuing higher resolution data if data collection requirements increase administrative burden and participant friction. Excessively complex data collection processes may reduce participation among the vulnerable and equity communities RENs intend to reach and divert ratepayer resources away from direct program delivery.

While additional data, such as household or business characteristics (income, ownership), socioeconomic factors (primary language, gender), and workforce information (employment status, occupation), could be collected, it should not be reported at the portfolio level to account for variations in data resolution and participants' willingness to respond to surveys.

3C-REN recommends that demographic data is most applicable to Residential, Public, Commercial, and WE&T programs. In general, equity-focused programs should track demographic data to ensure they are being delivered equitably. Additionally, WE&T programs should collect demographic data to monitor participation among disadvantaged workers and assess workforce development impacts. 3C-REN anticipates implementing this demographic data tracking for the residential, public, commercial, and WE&T programs.

11. Overcoming Sector- and Segment-Specific Challenges

Portfolio Strategy #11: Overcome sector and segment specific challenges (e.g., market support, equity, residential, multifamily, industrial, etc.)

3C-REN's portfolio is designed to address segment and sector-specific challenges with tailored solutions as described in the tables that follow.

Equity Segment Challenges and Solutions by Sector

Table 3-1. Commercial Challenges & 3C-REN Solutions

Challenge	Solution
Customers are not always aware of commercial energy programs and benefits.	Increase and diversify outreach and education to business owners and those in the commercial industry.
Smaller contractors may not follow permitting requirements due to capacity issues.	Leverage relationships with contractors through the Building Performance Training program and the Energy Assurances Program. Offer WE&T opportunities that apply to small businesses.
Difficult to scale installations with multiple smaller accounts, especially for businesses in geographically isolated regions.	Partner with on the ground community partners to scale installations.
Small business owners have limited time and capacity.	Through its dedicated concierge support and targeted collaborations, the program helps absorb tasks that would otherwise fall on small business owners with limited time and capacity. 3C-REN will improve outreach to better advertise program benefits through data-driven storytelling and more personalized messaging.
Small businesses have very small margins.	Offer incentives with a higher multiplier for NMEC projects implementing high performance measures in Hard-to-Reach markets.
It is difficult for smaller contractor operations to effectively work with this program.	Identify ways to improve contractor relationships and experience within the program. Utilize expanded contractor database to identify additional contractors to partner with for program implementation.
Developing and maintaining business partnerships requires significant staff resources.	Review current partnerships and relationships to ensure they are beneficial and time effective. Review staff responsibilities/ work plans to ensure time is dedicated to partnerships as appropriate.

Challenge	Solution
Existing business partnerships have not led to the identification and securement of new projects.	Identify and/or join additional business networks to help identify new projects and customers. Dedicate more of outreach budget to support contractor outreach.
There are gaps in the different commercial industries targeted through the commercial program.	Identify industry gaps and room for growth and appropriately create targeted outreach and training materials to attract specific industry customers and training and event participants.
There is a need to understand utility bill impacts from projects.	Leverage the program implementer's software platform to estimate utility bill impact. Leverage program performance data support increased contractor engagement so they know how projects perform with accurate forecasts.

Table 3-2. Residential Challenges & 3C-REN Solutions

Challenge	Solution
Property owners/ managers do not have time to navigate the project process and may not be aware of other program opportunities that could benefit them.	Continue to assist property owners/managers with technical questions and help them successfully complete projects, while building relationships to continue implementing projects in the future when budget allows.
Income-qualified/ HTR/ DAC MF properties are under-resourced and may not have facility staff availability to manage EE projects.	Continue to provide technical assistance to projects to help them determine the best course of action in selecting the most impactful measures for projects and available funds from our program and other resources.
Some buildings, especially multifamily buildings, are not owner occupied, creating a "split incentive" barrier to larger scale improvements.	The multifamily HES program requires three or more upgrades in a project scope, a percentage of which must directly benefit tenants. Other upgrades can focus on common area energy usage, which are paid for directly by property owners.
Difficult to scale work with multiple smaller accounts.	Continue to partner with on the ground community partners to scale installations.
Substantial funding uncertainties exist for contractors, especially regarding incentive availability.	Improve communication around funding availability and timelines to ensure contractors and implementers are aware of the expected availability.

Challenge	Solution
Smaller contractors may not follow permitting requirements due to capacity issues.	Leverage relationships with contractors through the Building Performance Training program and the Energy Assurances Program. Increase WE&T offerings.
Incentive and rebate amounts are not high enough to cover program participants' needs; properties may need to phase their projects over time due to annual budget constraints.	The program will explore alternative delivery options, including a monthly subscription service covering installation, maintenance, energy monitoring, and smart grid integration of electric appliances, reducing upfront and total program costs.
Not all housing types are eligible to access incentive funding, especially manufactured homes.	Manufactured homes are included in incentives, and there have been cases for upgrades for manufactured housing.
There is a gap in energy efficiency offerings for renters that can't install permanent upgrades.	Evaluate additional options for populations that aren't reached by existing programs, such as the existing Santa Barbara County Green Appliance Giveaway program that offers plug-in appliances to renters and those unable to install permanent construction in their residence.
Residents and homeowners do not know of or understand the benefits of energy efficiency upgrades.	Create improved outreach and educational materials that better market the benefits of energy efficiency upgrades and program participation, the program process, and maintenance for after installation. Equity connection: Increase targeted outreach to underserved populations to increase program awareness and interest. Work with trusted partners and implementers to build relationships with communities to ensure they understand the benefits and process of upgrade installation.
Older buildings have outdated electrical systems and cannot handle electrical appliance and unit upgrades.	Reduce the need for panel upgrades by right sizing and combining different circuits through the "Watt Diet" and promote the Watt Diet in program communication. Consider offering incentives for panel upgrades for buildings that show they cannot utilize the Watt Diet to reduce need for panel. Continue to offer WE&T trainings about alternatives to electrical panel upgrades, like smart panels

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Market Support Challenges and Solutions by Sector

Table 3-3. Cross-Cutting – Workforce Education & Training Subsector Challenges & 3C-REN Solutions

Challenge	Solution
The Tri-County Region is large, and participants are unable and unwilling to travel far to attend events and trainings.	Offer and improve, outreach and training materials in multiple formats, including in-person, printed, online, and on-demand. **Equity connection**: Increase accessibility of trainings by increasing the number of sites and delivery mechanisms and more options for timing.
About a third of the region speaks a language other than English at home.	Continue to offer and improve outreach and training materials for different types of audiences, including non-English speaking populations (mainly Spanish speakers), low-income, contractors, and others.
Many young people are entering the workforce but are unaware of or unable to access energy efficiency career opportunities and trainings.	Continue to partner with, explore, and pursue new partnerships with, key institutions, firms, business networks, education (including elementary, high schools, technical and community colleges) to build workforce pathways to careers, training collaborations, and improved and updated curriculum that targets those entering or considering entering the workforce and those looking to upskill and continue learning.
Employers are unsure of the value of participating in training and are worried that having employees attend trainings will affect their profits.	Develop an incentivization and certification program or pathway for employers to ensure trainings are valuable and profitable for employers and employees. Offer additional hands-on, interactive trainings on-site and at locations frequented by contractors, and explore stipends to offset earnings loss from a training day.
There is a lack of awareness and interest in energy efficiency job pathways, programs, and training among those entering the workforce.	Continue to utilize outreach tools and methods to increase awareness of energy efficiency careers for youth and those entering the workforce such as partnering with local workforce development boards, contractor associations, and regional initiatives. Create training pathways that are aimed at participants of varying experience levels and ages. Consider developing a mentorship program to encourage career progression among contractors.
Contractors do not know about EE programs and trainings, do not understand the benefits, or are uninterested in participating.	Improve and build contractor database and increase outreach using the list to improve participation in trainings and events and increase contractor eligibility in program participation and project installation.
There is a significant knowledge gap in the long-	Update trainings to include information on energy efficiency technology and appliance maintenance for multifamily

Challenge	Solution
term maintenance of energy efficiency technologies and equipment, especially among potential program participants such as landlords and property managers.	buildings for participants in the BPT program. Develop leave behinds (stickers, pamphlets) detailing maintenance schedules and who to contact if there are issues.
Contractors do not have, or are unwilling to find, time and budget for employees to participate in trainings.	Offer participation incentives for trainings and events, develop an incentivization and certification program or pathway for employers to ensure trainings are valuable and profitable for both employers and employees. Continue to make trainings attractive and convenient, such as providing breakfast options for early morning trainings.
Trainings are not fully aligned or relevant to programs or different levels of knowledge, so contractors are not incentivized to participate.	Align the training topics with other programs to ensure trainings and events are relevant, attract new participants, and are tailored to participants in the programs. Ensure trainings are appropriate for a variety of experience levels, including enrolled contractors.

Table 3-4. Agriculture Challenges & 3C-REN Solutions

Challenge	Solution
Customers are not always aware of energy programs and benefits.	Increase and diversify outreach and education to farmers and those in the agricultural industry.
Customers do not have sufficient resources to participate in energy programs.	Provide technical assistance to reduce the burden on customers. Connect customers with additional funding opportunities and resources.
Customers have mistrust in government-led programs.	Increase participation at in-person events and locations frequented by the target population. Continue to attend events, utilize existing communication channels and identify potential new ones, to increase program awareness and identify potential partnership opportunities.
Upfront costs for energy efficient equipment are high in the agricultural sector.	Increase outreach and education about the benefits of upgrades. Provide technical assistance to customers on identifying additional sources of funding to cover upgrade costs. Research areas of program expansion to better serve target population and lower costs.

Table 3-5. Cross-Cutting – Commercial & Public Facilities Subsector Challenges & 3C-REN Solutions

Challenge	Solution
Jurisdictions and commercial building owners cannot implement energy efficiency upgrades due to lack of budget.	Continue to offer a variety of technical assistance services and lighter-touch audits that are aligned with facility needs and achievable goals
There is a lack of awareness regarding the availability of critical facility energy upgrade programs, funding, technical assistance, and the upgrade process.	Improve outreach methods and program efficacy through strategic partnerships and case studies. Create a program life cycle for auditees with touchpoints to check back in on implementation progress annually.
Facilities in the region in need of upgrades have varying characteristics and physical states that make some a better fit for upgrades than others.	Continue coordinating with other PAs to identify facilities that are the best fit for audit programs and related incentive programs
Facilities in the tri-county area are isolated and need to be more self-sufficient.	Provide technical assistance and other related services that support integrated demand side management in addition to energy efficiency, while advancing resiliency planning and helping entities navigate funding and project development to mitigate climate hazard impacts.

Codes & Standards Segment Challenges and Solutions by Sector

Table 3-6. Cross-Cutting – Codes and Standards Subsector Challenges & 3C-REN Solutions

Challenge	Solution
Some local building departments have limited staff resources and capacity for enforcing energy codes.	Continue to advertise and offer code trainings and events to a variety of audiences to ensure all parties required to work on an installation, from local government permitting departments to contractors, are aware of and adhere to code requirements.
Codes and standards have been rapidly updated in previous years. Private sector professionals require additional technical	Broaden technical assistance support and expand support into additional sectors to assist jurisdictions and businesses achieve and maintain compliance.

Challenge	Solution
assistance to achieve compliance.	
Technical assistance programs are not equally integrated in the 3C-REN territory; some regions require additional assistance.	Assess the geographic reach of the Code Coach to identify gaps and areas for improvement, and work to develop relationships and offer increased assistance in areas where it is not as well integrated or known.
Building owners may not have sufficient familiarity with building codes, especially the forms and documentation required for compliance.	Continue to advertise and offer code trainings and events to a variety of audiences, including building owners, to ensure all parties required to work on an installation are aware of and adhere to code requirements.
Existing resources on the upgrade installation process and requirements for building professionals are confusing and not sufficient.	Update outreach and educational materials to better explain the process of upgrade projects. Continue to provide technical assistance to help contractors and program participants with the process.
Jurisdictional staff do not have capacity to attend frequent events and trainings.	Evaluate training and event schedule and data to identify the most valuable, popular, and necessary trainings and communicate this to audiences. Gather training feedback from participants on training locations, times, and frequencies to develop an improved schedule that better serves specific audiences and is an effective use of staff time and resources.

12. Reducing Environmental Impacts of Refrigerants

Portfolio Strategy #12: Promote responsible management and disposal of removed refrigerant and incorporate low-GWP refrigerants/ultra-low GWP refrigerants

While GHGs from appliances such as gas furnaces and stoves are generally understood to be large contributors to climate change, the GHG impact of refrigerants is a relatively recent focus of PA programs. Replacing standard refrigerants with low-global warming potential (GWP) alternatives can be an expensive process, one that larger commercial energy customers can make more easily with more upfront cost. There remains a gap in experienced workforce to remove refrigerants and ensure proper disposal. While the RENs can connect with businesses to get them

interested in refrigerant replacements, the lack of workforce in this area means that it is challenging for these projects to occur and to scale. Although 3C-REN's programs do not have a specific focus on low or ultra-low GWP refrigerants, there is an opportunity to expand WE&T program training to include switching from high to low-GWP refrigerants. 3C-REN will monitor the evolution of regulatory, safety, and efficiency standards for low-GWP refrigerants and incorporate the latest guidance into its cross-cutting workforce education and training and codes and standards programs as demonstrated by a recent 2025 3C-REN blog.[75]

After the initial success of energy efficiency refrigeration projects in the CES program, 3C-REN and enrolled aggregators are beginning to explore special low-GWP refrigerant projects for the future CES marketplace. High-GWP refrigerant projects focus on transitioning refrigeration systems away from high-GWP refrigerants to lower-GWP alternatives, reducing GHG emissions while maintaining or improving system performance. These projects are supported by California Air Resources Board refrigerant regulations, which establish requirements for refrigerant management and the phased reduction of high-GWP refrigerants to advance statewide GHG reduction goals.

In parallel, D.23-06-055 authorizes the use of Population NMEC methodologies to quantify energy savings associated with these refrigerant transition projects. This decision enables utilities and program administrators to apply advanced, meter-based evaluation approaches to measure the energy impacts of refrigeration system upgrades while supporting compliance with California's broader climate policies. 3C-REN is currently evaluating the viability and implementation mechanics of incorporating these high-GWP refrigerant projects into the program.

[75] Grant Murphy, Considering GWP and Flammability in New Refrigerants (Apr. 22, 2025), https://www.3c-ren.org/gwp-and-flamability-in-new-refrigerants/.

13. Spurring Innovation

Portfolio Strategy #13: Spur innovation to advance a technology, marketing strategy, or delivery approach in a manner different from previous efforts in your EE portfolios

The Multifamily HES Program proposes to explore innovative, alternative delivery options. One proposed model engages three entities: a local government, a Community Choice Aggregation agency, and a third-party private operator. This partnership would leverage 3C-REN incentives, appliance-as-a-service models, load flexibility, and capital efficiency to overcome barriers to electrification. Rather than customers purchasing and owning their electric appliances, they enroll in a monthly subscription covering installation, maintenance, energy monitoring, and smart grid integration. The County of Santa Barbara is in the process of assessing the feasibility of a program pilot that may be piloted in partnership with 3C-REN and Santa Barbara Clean Energy.

SCE recently notified stakeholders in a February 18, 2026 workshop that it intends to close the Statewide Plug Load Appliance program, which is the program that SCE had intended to administer after the transfer of lead PA for the SW PLA energy efficiency program authorized by the CPUC's response to San Diego Gas & Electric (SDG&E) AL 4494-E/3332-G. In Advice Letter 5765-E, SCE cited concerns about delivering a cost-effective offering at the desired scale of a statewide residential program.[76] Prior to that, in its September 9, 2024, response to the SDG&E AL regarding transition of statewide programs, SCE had indicated its intention as the prospective new lead PA to optimize program delivery and outcomes while minimizing any potential disruption to customers. However, with the recent decision to close the SW PLA program, there

[76] SCE's pending advice letter for this program's closure: SCE Advice 5765-E, Title: Notice of Southern California Edison Statewide Plug Load and Appliances Program Closure. SCE advice letters are available online at the following URL address: www.sce.com/adviceletters.

may be a gap for customers looking to reduce their energy bills through plug load appliance savings. As a REN PA, 3C-REN may be able to fill this gap for equity customers using innovative approaches such as the approach described above.

Another innovation that 3C-REN proposes is to continue increasing and improving outreach efforts, in direct response to stakeholder feedback gathered in Fall 2025 to inform this application. Stakeholder feedback specifically recommended that 3C-REN publicize and promote case studies of completed projects to market benefits and attract new potential projects, and create culturally appropriate outreach materials in multiple languages and formats, recognizing the different populations that are receiving outreach and trainings. For additional context, see Chapter 8, Table 8-1. 3C-REN BPA Stakeholder Engagement, Item #2. Numerous other points of feedback throughout the table point to additional outreach needs, *e.g.*, Items #13, 22, 24, 39, etc.

In response to this stakeholder input, 3C-REN proposes to improve outreach materials to better market the benefits of energy efficiency upgrades and program participation, using real-world case studies, personalized messaging, and collected data and statistics about the impact of upgrades. 3C-REN also plans to assess gaps and opportunities in its current outreach practices to inform development of improved outreach and training materials for different types of audiences, including non-English speaking populations, low-income, contractors, and others. In addition, 3C-REN will continue to offer, and will improve, outreach and training materials in multiple formats, including in-person, printed, online, and on-demand.

14. Using Community-Based Program Design

Portfolio Strategy #14: Incorporate community-based program design in relevant existing and planned EE programs

a. *Describe how your relevant programs align with SoCalREN's Community Based Collaborative's recommended process, ensures meaningful community involvement, and advances equity and ESJ Action Plan goals (D.21-06-055, OP 31)*

Decision 23-06-055, Ordering Paragraph (OP) 31, directs Portfolio Administrators to incorporate community-based program design principles consistent with SoCalREN's Community Based Collaborative (CBC) process and to ensure meaningful community involvement in advancing equity and ESJ Action Plan goals.[77] The CBC process and principles also have an important intersection with another Commission-directed effort from D.23-06-055: the equity segment community engagement indicators (OP 24). Because these indicators are intended to measure community participation at all stages of the program lifecycle, including design, they may prove beneficial for tracking efforts across both Commission directives. 3C-REN was the lead PA who coordinated the OP 24 community engagement indicators effort[78] and will be implementing tracking of these indicators for future annual reporting as directed by CPUC.[79] 3C-REN's portfolio reflects these community based design and community engagement directives by embedding stakeholder engagement, iterative feedback, and co-design practices across its relevant programs as described below.

The Agriculture Technical Assistance program incorporates community-based design through ongoing engagement with agricultural producers, farmworkers, water districts, and agricultural support organizations. Engagement occurs through stakeholder interviews, outreach at regional agricultural events, and open feedback channels designed to refine program offerings and address participation barriers for smaller and socially disadvantaged producers. This approach aligns with the CBC framework's emphasis on early engagement, trust-building, and culturally relevant outreach to underserved communities.

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[77] D.23-06-055 at OP 3.

[78] Community engagement indicators were submitted in 3C-REN Advice Letter 14-E/13-G, 3C-REN 2024-2027 Energy Efficiency Portfolio Mid-Cycle Advice Letter, Attachment B – Community Engagement Indicators Results. 3C-REN advice letters are available online at https://www.3c-ren.org/regulatory-documents/.

[79] D.23-06-055 at OP 24.

In the Commercial Marketplace program, 3C-REN collaborates with jurisdictions, community-serving entities, local chambers, and small business networks to identify participation barriers and co-design program improvements. Listening sessions and structured feedback mechanisms are used to tailor incentives, technical assistance, and outreach materials to the needs of HTR and geographically isolated businesses. This participatory design model advances ESJ objectives by ensuring that commercial program offerings reflect local capacity constraints and energy burden considerations.

Through the Energy Code Connect program, 3C-REN engages inspectors, planners, and building professionals via listening sessions, training evaluations, and regional forums. Feedback gathered from these interactions directly informs training topics, technical assistance priorities, and resource development. By incorporating practitioner input into program design, 3C-REN supports equitable code compliance and ensures that smaller jurisdictions and rural building departments receive accessible and relevant technical support, consistent with CBC principles of meaningful engagement and responsiveness.

The BPT program incorporates co-design through collaboration with building experts, local educational institutions, and workforce development organizations. Educational content is refined through participant surveys administered at each training and through continuous engagement with contractors and implementers. This feedback loop ensures that training offerings remain aligned with regional workforce needs and accessible to disadvantaged workers, advancing the ESJ Action Plan's workforce equity objectives.

The Energy Assurance Services program was designed through stakeholder meetings organized through the Santa Barbara County Regional Climate Collaborative. Public agencies, nonprofits and energy program implementers served in an advisory capacity to design the program

for Santa Barbara County, which became the foundation for EAS. EAS applies a community-based approach by working directly with public agencies, nonprofits, and community-serving facilities to tailor technical assistance to local operational realities. Through individualized consultation and ongoing dialogue, the program adapts support services to align with each entity's staffing capacity, funding constraints, and resiliency priorities. This direct collaboration ensures that smaller and rural jurisdictions are not excluded from energy efficiency and resilience opportunities.

3C-REN's residential programs incorporate community-based design through stakeholder interviews, listening sessions with local governments and special districts, and engagement with community-based organizations serving equity-priority populations. Open feedback channels inform adjustments to incentive structures, outreach strategies, and contractor engagement practices. This iterative design process ensures that programs remain responsive to the needs of HTR, DAC, and underserved households, consistent with Commission direction to prioritize equity and meaningful participation.

Across sectors, 3C-REN's approach reflects core CBC principles: early and sustained engagement; collaboration with trusted local institutions; incorporation of community feedback into program refinement; and targeted strategies to address structural barriers faced by underserved populations. These practices advance ESJ Action Plan goals by ensuring that energy efficiency programs are not only accessible, but also co-informed by the communities they are intended to serve.

CHAPTER 4
FORECAST METHODOLOGY AND ZERO-BASED BUDGETING

A. DEMONSTRATION OF THE REASONABLENESS OF THE REQUEST

The Commission has established that the reasonableness of REN budgets should be evaluated in light of proportionality to incumbent IOU budgets within the same service territory, adjusted for the number of customers served by non-statewide and non-regional programs, and accounting for plans to serve hard-to-reach customers.[80]

Consistent with D.19-12-021, 3C-REN evaluated the overall scale of its proposed portfolio relative to IOU energy efficiency investments in the tri-county region. This evaluation considered:

- The number of customers located within Ventura, Santa Barbara, and San Luis Obispo Counties;
- The share of IOU non-statewide and non-regional energy efficiency expenditures attributable to the same geographic footprint; and
- 3C-REN's statutory and Commission-directed focus on hard-to-reach (HTR), disadvantaged (DAC), and underserved customers.

In forecasting and allocating program budgets and benefits by sector, 3C-REN employed a structured methodology grounded in sector-specific need, anticipated participation levels, projected savings potential, and equity prioritization.

First, sector-level allocations were informed by market characterization analyses, historical participation trends, and projected opportunity within the Residential, Commercial, Agricultural, and Cross-Cutting sectors. Particular emphasis was placed on identifying segments where existing IOU or statewide programs demonstrate limited penetration or face structural barriers, thereby

[80] D.19-12-021 at 12–14 (discussing proportionality and evaluation of REN budgets relative to IOU spending and service territory).

reinforcing 3C-REN's gap-filling role.

Second, projected benefits, measured through energy savings, greenhouse gas reductions, equity participation metrics, and market support indicators, were estimated using established forecasting tools, including measure-level savings assumptions, NMEC methodologies where applicable, and sector-specific participation forecasts. Benefits were then evaluated against sector-level budget allocations to ensure internal consistency and proportionality.

Third, allocation decisions incorporated equity objectives. Programs serving HTR, DAC, and underserved customers were evaluated not solely on anticipated energy savings, but also on their capacity to address regional barriers, reduce energy burden, and support local workforce development. This approach ensures that sector-level budget allocations align with both quantitative savings targets and qualitative equity objectives.

Through this methodology, 3C-REN confirms that its proposed portfolio budget remains proportional to IOU spending within the same territory while reflecting the additional engagement, technical assistance, and market-building investments necessary to serve equity target participants. Accordingly, the proposed budget is just, reasonable, and consistent with Commission guidance.

3C-REN's proposed budget and savings forecasts are reasonable because they are grounded in demonstrated program performance, consistent with Commission direction to RENs, and structured to advance statewide priorities including affordability, equity and building decarbonization.

3C-REN has more than seven years of experience forecasting energy efficiency program and portfolio budgets and savings as a REN PA. Rather than introduce new program structures that could create administrative burden, performance risk, or additional ratepayer exposure, 3C-REN intentionally elected to maintain and enhance its existing portfolio framework for the 2028–

2031 period. This approach supports ratepayer protection and affordability by building upon programs with established trends, documented uptake, and refined implementation systems.

Because the proposed portfolio largely continues existing programs, the proposed 2028-2031 budget and savings forecast are grounded in multiple years of actual cost and benefit data. Since approval of 3C-REN's current portfolio in D.23-06-055, 3C-REN has refined its data collection instruments, contractor reporting requirements, and program tracking databases so that portfolio leadership have direct access to both quantitative and qualitative data and informative qualitative feedback, enabling forecasts that reflect real participation patterns, equity-driven outreach realities and on-the-ground market conditions.

3C-REN's resource programs have undergone several reforecasting exercises, including through the 2023 True-Up Advice Letter (TUAL), the 2025 Mid-Cycle Advice Letter (MCAL) and this application. These iterative updates incorporated stakeholder feedback, evolving market conditions, updates to deemed workpapers, changes in leveraged funding availability, and observed participation shifts. Through this process, 3C-REN has strengthened its understanding of the drivers affecting incentive utilization, TSB ratios and other key indicators of program performance.

1. Portfolio Segmentation and Budget Allocation

The Commission has established that the reasonableness of REN budgets should be evaluated in light of proportionality to incumbent IOU budgets within the same service territory, adjusted for the number of customers served by non-statewide and non-regional programs, and accounting for plans to serve hard-to-reach customers.[81]

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[81] *Id*. (discussing proportionality and evaluation of REN budgets relative to IOU spending and service territory).

Consistent with D.19-12-021, 3C-REN evaluated the overall scale of its proposed portfolio relative to IOU energy efficiency investments in the tri-county region. This evaluation considered:

- The number of customers located within Ventura, Santa Barbara, and San Luis Obispo Counties;
- The share of IOU non-statewide and non-regional energy efficiency expenditures attributable to the same geographic footprint; and
- 3C-REN's statutory and Commission-directed focus on HTR, DAC, and underserved customers.

In forecasting and allocating program budgets and benefits by sector, 3C-REN employed a structured methodology grounded in sector-specific need, anticipated participation levels, projected savings potential, and equity prioritization.

First, sector-level allocations were informed by market characterization analyses, historical participation trends, and projected opportunity within the Residential, Commercial, Agricultural, and Cross-Cutting sectors. Particular emphasis was placed on identifying segments where existing IOU or statewide programs demonstrate limited penetration or face structural barriers, thereby reinforcing 3C-REN's gap-filling role.

Second, projected benefits, measured through energy savings, greenhouse gas reductions, equity participation metrics, and market support indicators, were estimated using established forecasting tools, including measure-level savings assumptions, NMEC methodologies where applicable, and sector-specific participation forecasts. Benefits were then evaluated against sector-level budget allocations to ensure internal consistency and proportionality.

Third, allocation decisions incorporated equity objectives. Programs serving HTR, DAC, and underserved customers were evaluated not solely on anticipated energy savings, but also on

their capacity to address regional barriers, reduce energy burden, and support local workforce development. This approach ensures that sector-level budget allocations align with both quantitative savings targets and qualitative equity objectives.

Through this methodology, 3C-REN confirms that its proposed portfolio budget remains proportional to IOU spending within the same territory while reflecting the additional engagement, technical assistance, and market-building investments necessary to serve equity target participants. Accordingly, the proposed budget is just, reasonable, and consistent with Commission guidance.

The allocation of budget across segments reflects Commission guidance specific to RENs. While non-REN Program Administrators are subject to a 30 percent limitation on equity and market support spending, the Commission explicitly recognized that REN portfolios, by their nature and primary purpose, are more likely to devote a greater share of their budgets to equity and market support activities and should not be subject to an upfront limitation.

> RENs, by their nature and primary purposes, are more likely to have a greater share of their portfolio devoted to market support and/or equity programs. Therefore, those portions of their budgets will not be subjected to an up-front limitation.[82]

3C-REN's segmentation reflects this direction. A significant portion of the portfolio is allocated to equity and market support segments, alongside continued investment in C&S and WE&T, areas the Commission has historically recognized as well-suited to local government leadership.[83]

Sector-level budget allocation aligns with documented community needs across residential, commercial, agricultural, and cross-cutting sectors. These allocations reflect stakeholder

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[82] D.21-05-031 at 22–23 (recognizing that REN portfolios may devote a greater share to equity and market support and are not subject to the same upfront limitation as IOUs).

[83] D.12-11-015 at 33–36 (recognizing local government strengths in codes, compliance, and regional engagement).

engagement, demonstrated participation trends, and identified market gaps within the tri-county region. Individual program budgets within sectors were developed using a zero-based process, ensuring that projected expenditures correspond directly to anticipated program activities rather than historic funding levels.

B. METHODOLOGIES TO FORECAST AND ALLOCATE PROGRAM BUDGET AND BENEFITS BY SECTOR

1. Single-Family Residential and Commercial Forecast Methodology

For the Single-Family HES and CES program, target measures were identified and prioritized based on observed historical participation and realized savings from the program in 2024 and 2025 and realized savings from the commercial program in 2025. In alignment with the Commission's overall building decarbonization portfolio strategy, and CPUC evaluators' encouragement for RENs to focus on decarbonization and equity communities,[84] forecasts emphasize measures and project types, particularly electrification and equity-target project that have demonstrated sustained market demand and consistent delivery performance.

Savings projections assume continuation of outreach channels, contractor engagement strategies, and incentive structures that have produced stable project volume and measurable savings. Forecast assumptions include:

- Stable participation rates based on historical uptake;
- Realization rates informed by measured program data;
- Continued focus on electrification measures aligned with statewide decarbonization objectives; and
- Geographic distribution across climate zones consistent with prior program reach.

[84] EM&V Group A: Regional Energy Networks, Program Year 2022, California Public Utilities Commission, CALMAC ID: CPU0372.01, May 8, 2024, at 10.

By relying on observed performance trends rather than speculative expansion, 3C-REN minimizes delivery risk while maintaining cost-effective savings potential.

2. Multifamily forecast methodology

For the Multifamily program, the methodology mirrors the approach used in the 2024–2027 Mid-Cycle Advice Letter (Advice Letter 14-E/13-G). Historical participation data from 2024 and 2025 informed projected unit counts and measure mix.

Target measures remain consistent with prior years, with rebate structures designed to encourage adoption of high-impact electrification technologies, particularly heat pumps. Heat pump measures remain central to California's decarbonization strategy and continue to face cost and information barriers relative to conventional gas technologies. Incentive structures are calibrated to support both tenant and owner savings while advancing environmental and health objectives.

While per-unit expenditures are expected to increase due to continued emphasis on market transformation and tenant benefits, total project and unit counts are projected to rise commensurately with available budget. This reflects both demonstrated demand and the program's maturation.

In forecasting and allocating program budgets and benefits by sector, 3C-REN employed a structured methodology grounded in sector-specific need, anticipated participation levels, projected savings potential, and equity prioritization.

3. Zero-based budgeting

3C-REN budgeted for the upcoming portfolio cycle using a bottom-up, zero-based budgeting approach, as required by D.21-05-031, Ordering Paragraph 8. The process began with a review of historical program performance and future portfolio objectives to inform future

program activities. The Tri-Counties then evaluated their current staffing levels and identified future program needs. After establishing staffing plans, each individual program team planned their expenses for each year of the portfolio cycle. Expenses were planned based on experience and prior spending and then adjusted for future program activities. This exercise included the evaluation of incentive budgets and their current expenditure rates, additional regulatory requirements, continued program growth, plans for future outreach and events, and other program implementation activities. In sum, all cost categories for each program were examined and forecasted based on the Tri-Counties' best-available cost assumptions. From there, they were evaluated and, in some cases, refined to better align with 3C-REN's portfolio goals. Adjustments were made to better optimize the portfolio for the achievement of savings and performance goals. Once all individual program budgets were finalized, they were consolidated to create the full portfolio budget.

C. IOU BUDGET SPLITS WITH FUEL SUBSTITUTION ALLOCATIONS

3C-REN has revised its methodology for allocating portfolio-wide fuel type and IOU splits in this filing to align with the Commission's direction in D.19-08-009. In that decision, the Commission clarified that, for fuel substitution projects, costs and savings should be allocated to the "new fuel" utility. In the case of 3C-REN's fuel substitution projects—primarily electrification measures replacing natural gas end uses—the "new fuel" utility is the electric utility.

This updated methodology ensures that 3C-REN's budget allocations are consistent with Commission policy and reflect the increasing role of electrification in the portfolio, as approved in its Strategic Business Plan and Portfolio Plan.

Split by Fuel Type

- Electric: 77% (previously 66.1%)

- Gas: 23% (previously 39.9%)

These revised percentages reflect the incorporation of fuel substitution measures—identified in the Cost Effectiveness Tool (CET) with "FuelSub-ToElec" in the FuelSubReference field—into the electric fuel allocation.

For program years 2028–2031, 3C-REN calculated the total weighted program costs associated with these fuel substitution measures using CET forecast outputs. These costs were entered in the BPA workbook in Sheet 3.1, Cells 18–21D. For years 2032–2035, where CET runs were not performed, 3C-REN estimated costs using the average percentage of fuel substitution-related costs observed during 2028–2031 (43%). These values were entered in Sheet 3.1, Cells 22–25D.

All costs associated with fuel substitution measures (Rows 18–25) were allocated 100% to electric, consistent with D.19-08-009. All other portfolio costs were allocated using the pre-existing 60.848% electric / 39.152% gas split.

To determine the updated combined portfolio-wide fuel allocation, total electric costs (including fuel substitution costs) were divided by total portfolio costs, resulting in a 77% electric and 23% gas allocation.

The revised IOU splits are as follows:

- PG&E Electric: 33%, previously 26.45%
- PG&E Gas: 11%, previously 19.15%
- SCE Electric: 44%, previously 34.40%
- SoCalGas: 12%, previously 20.00%

Split by IOU

- PG&E Electric: 33% (previously 26.45%)

- PG&E Gas: 11% (previously 19.15%)
- SCE: 44% (previously 34.40%)
- SoCal Gas: 12% (previously 20.00%)

These updated IOU splits reflect the revised fuel type allocations and maintain proportional allocation methodology consistent with prior filings and approved True-Up Advice Letters.

Specifically, 3C-REN applied historical proportional splits within each fuel category (e.g., the percentage of total gas costs historically attributed to SoCalGas versus PG&E Gas). While the proportional allocation within each fuel type remains consistent with prior Commission-approved filings, the absolute share of gas-related costs decreases due to the increased allocation of fuel substitution costs to electric. As a result, the electric IOUs' shares increase proportionally, while gas IOU shares decline.

D. PROGRAM MODIFICATIONS FROM 2024-2027 PORTFOLIO CYCLE

3C-REN will not be modifying any programs for the new 2028-2031 program cycle. 3C-REN does not anticipate closing any programs or adding new programs.

Table 4-1. Closed Programs from the 2024-2027 Cycle (Not applicable; 3C-REN is not closing any programs)

Closed Programs from the 2024-2027 Cycle						
Name of Closed Program	**Segment**	**Sector**	**Unspent Budget**	**Total EE Budget** (2024-2027)	**Rationale for Program Closure**	**Underperformance and Remediation**
N/A	N/A	N/A	N/A	N/A	N/A	N/A

Table 4-2. New Programs in 2028-2032 Application Cycle (Not applicable; 3C-REN is not proposing any new programs)

New Programs in 2028-2032 4-Year Application Cycle			
Program	**Segment**	**Sector**	**Program Description**
N/A	N/A	N/A	N/A

CHAPTER 5
PORTFOLIO MANAGEMENT

A. KEY METRICS AND OUTCOMES

3C-REN's proposed BPA outcomes are intentionally structured to align near-term portfolio performance with a long-term regional transformation strategy. The four-year portfolio period (2028–2031) focuses on measurable program performance, including Total System Benefit (TSB) achievement, participation targets, equity engagement, and market capacity development. These near-term objectives serve as foundational building blocks for 3C-REN's broader eight-year vision of a resilient, decarbonized, and locally supported energy ecosystem in the Tri-County region.

B. OVERVIEW FOR 4-YEAR AND 8-YEAR PLANNING HORIZON

Over the eight-year horizon, 3C-REN advances a comprehensive strategy in which workforce development, technical assistance, targeted incentives, electrification adoption, and distributed energy resource integration, and equity participation are mutually reinforcing components. Rather than treating energy savings as the only standalone outcome, 3C-REN's strategy recognizes that durable emissions reductions and sustained cost containment depend upon strengthening regional market actors, increasing contractor competency, supporting underserved customers, and fostering local institutional capacity. These outcomes support greenhouse gas reduction goals, increase TSB performance, strengthen local contractor capacity, expand access to historically underserved communities, and ensure that energy efficiency investments generate lasting community benefit.

C. LOGIC MODEL ORIENTATION

3C-REN's logic model provides a framework that connects activities, outputs, and outcomes across both planning horizons. At the input level, ratepayer funds, local government institutional capacity, third-party implementers, and regional partnerships support program

delivery. Program activities, including technical assistance, workforce training, incentive deployment, stakeholder engagement, and policy coordination, generate measurable outputs such as trained professionals, completed projects, leveraged funding, and program referrals.

In the near term, these outputs translate into quantifiable outcomes including energy savings, electrification adoption, equity participation, contractor engagement, and documented non-energy benefits. Over the longer term, the logic model anticipates broader impacts: strengthened regional workforce pipelines, improved building stock performance, expanded electrification readiness, reduced energy burden in disadvantaged communities, and enhanced resilience to grid disruptions and climate impacts.

3C-REN's integrated logic model ensures that 3C-REN's four-year portfolio metrics are not isolated compliance measures, but rather leading indicators of sustained eight-year transformation.

D. ROLE OF UNIQUE VALUE METRICS

3C-REN's Unique Value Metrics (UVMs), described in narrative and detailed in *Table 5-1. Unique Value Metrics Overview and Reporting Approaches*, complement and strengthen the logic model by capturing dimensions of program performance that traditional cost-effectiveness metrics do not fully reflect. While TSB, kWh, therm savings, and greenhouse gas reductions remain central performance indicators, UVMs provide additional visibility into equity outcomes, market development, stakeholder engagement, technical assistance delivery, and program integration.

Originally tracking four UVMs, 3C-REN has expanded its UVM framework to encompass all seven programs in the portfolio. Each short-term and long-term outcome within the logic model is supported by associated quantitative metrics designed to validate program success and support continuous improvement. Examples include metrics tracking leveraged funding, participation

among HTR and DAC customers, contractor engagement in workforce training, referrals across programs, and geographic distribution of project implementation. By integrating UVMs into its portfolio management structure, 3C-REN ensures that outcomes such as equity advancement, market transformation, resilience, and workforce capacity are measured alongside traditional energy savings metrics. This expanded measurement approach strengthens accountability, enhances transparency, and supports a more comprehensive understanding of portfolio impact over both the four-year and eight-year planning horizons.

E. LOGIC MODEL

3C-REN's portfolio-level logic model shows the activities by sector and program, outputs, and outcomes, for both your 4-year and 8-year portfolio and business plans. The diagram illustrates the portfolio of programs, with each program linked to specific outputs (2028-2031), short-term outcomes (4 years), long-term outcomes (5-10 years), and strategy alignment represented by colored circles, highlighting selected milestones.

3C-REN's portfolio-level logic model shows the activities by sector and program, outputs, and outcomes, for both your 4-year and 8-year portfolio and business plans. The diagram illustrates the portfolio of programs, with each program linked to specific outputs (2028-2031), short-term outcomes (4 years), long-term outcomes (5-10 years), and strategy alignment represented by colored circles, highlighting selected milestones.

Figure 5-1: 3C-REN Portfolio-Level Logic Model – Part 1 of 2

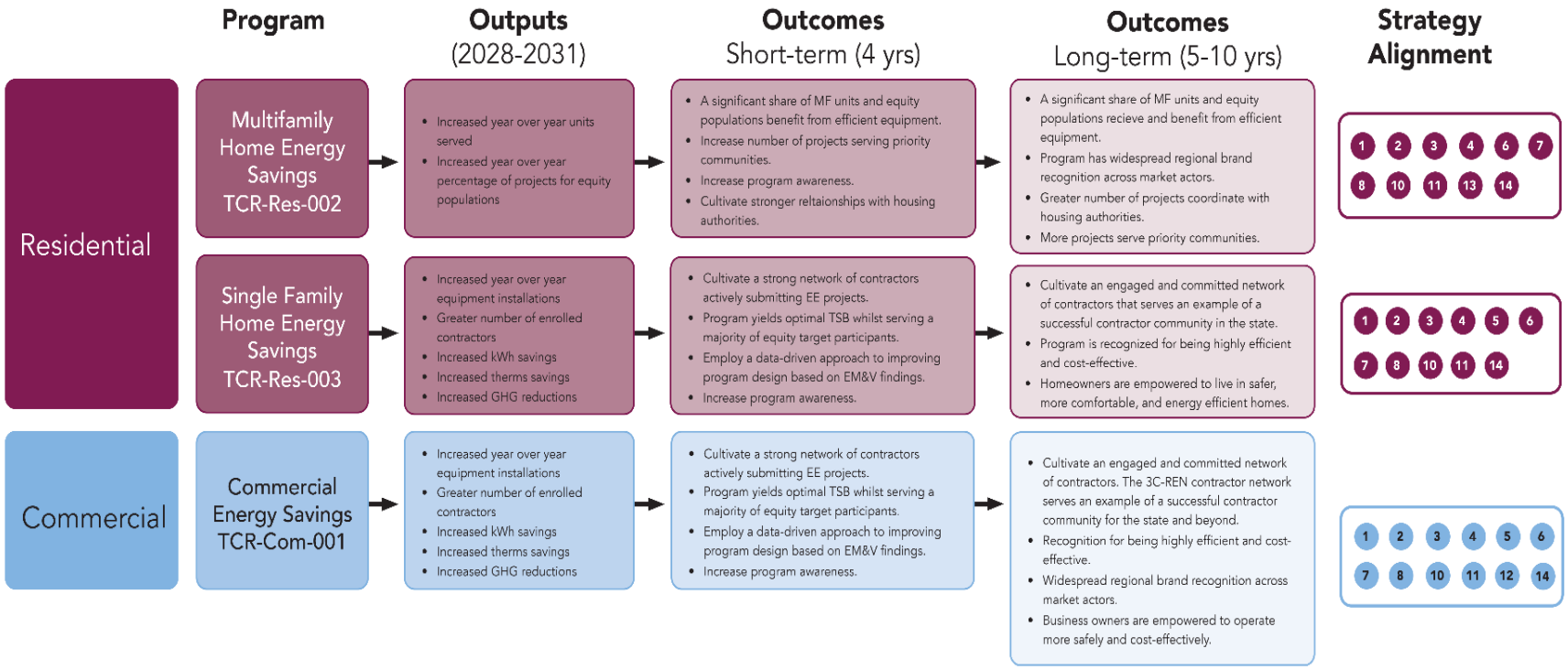
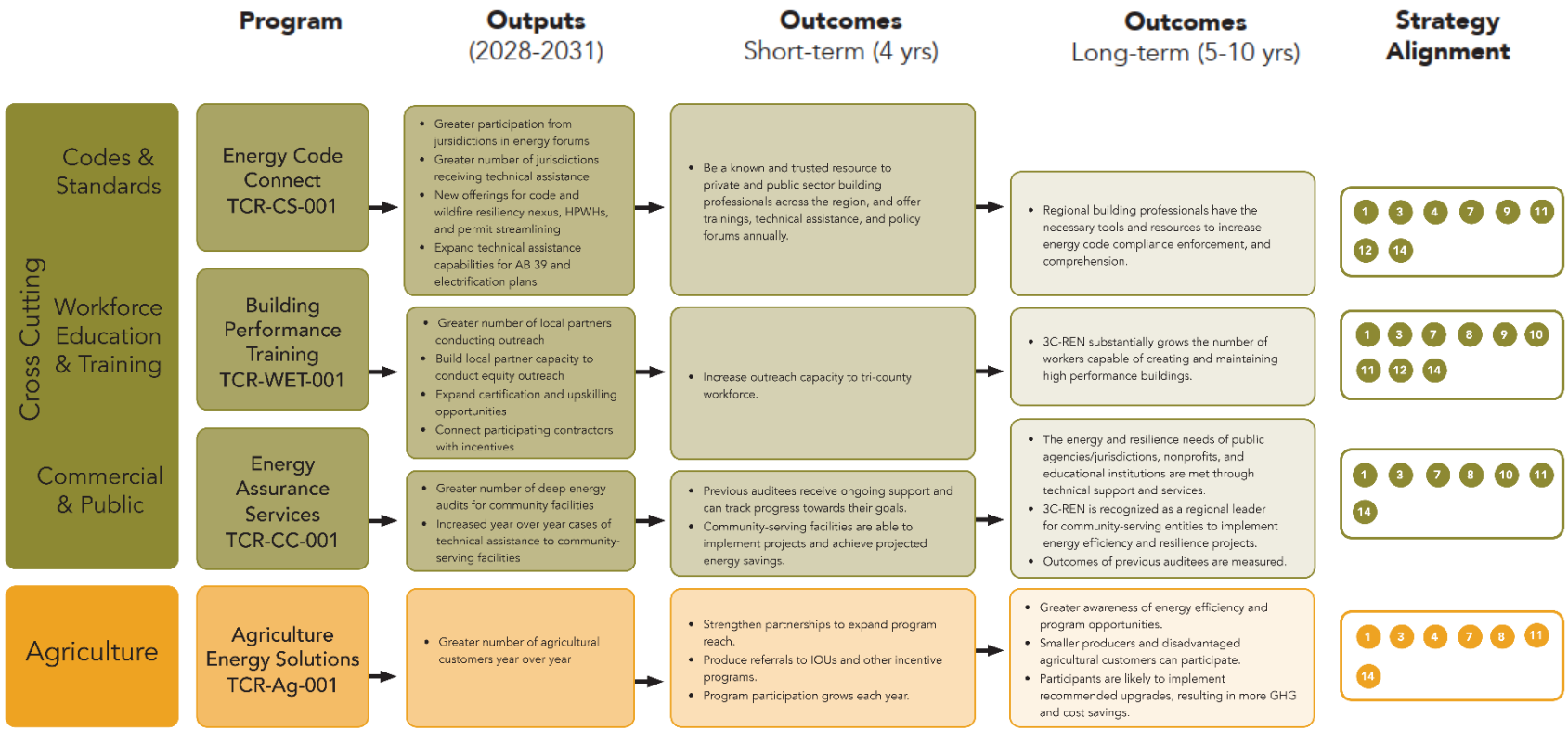


Figure 5-2:3C-REN Portfolio-Level Logic Model – Part 2 of 2



F. UNIQUE VALUE METRICS

In addition to the metrics required under Commission guidance, 3C-REN has developed a comprehensive set of Unique Value Metrics (UVMs) to capture dimensions of performance that traditional savings and cost-effectiveness indicators do not fully reflect. These UVMs are detailed in the accompanying table and identify:

- What each metric measures;
- How it will be tracked and reported; and
- Why it reflects a distinct contribution of the REN model.

3C-REN's UVMs framework is designed to demonstrate long-term vision of building an integrated, equitable, and locally grounded region that is aligned with California's climate and energy objectives. While traditional metrics such as TSB, kWh, and therm savings remain critical, they do not fully capture the interconnected, market-building role that RENs play. The UVMs therefore quantify the broader public value created through cross-program coordination, equity expansion, workforce capacity building, and electrification acceleration, particularly for customers and market actors not fully captured by traditional segmentation or statewide equity definitions.

Collectively, 3C-REN's UVMs reflect three overarching themes that define its unique role in California's energy efficiency landscape:

1. Cross-Program Integration and Market Cohesion

3C-REN's business plan depends on deliberate coordination among workforce development, technical assistance, incentives, and electrification adoption. Unlike siloed program models, 3C-REN structures its portfolio so that programs actively reinforce one another. This integration is measured directly through UVMs that track:

- The percentage of projects in the residential programs serving priority communities and populations;
- The number of referrals generated through the Energy Assurance Services (EAS) and Agriculture programs;
- The percentage of decisionmakers (owners, property managers, management companies) receiving advanced technical assistance; and
- The percentage of completed projects leveraging complementary funding sources.

These metrics quantify how workforce investments translate into implementation capacity, how technical assistance drives project execution, and how customers are connected across offerings. Rather than operating independently, 3C-REN's programs function as a coordinated ecosystem.

G. STEWARDSHIP OF RATEPAYER FUNDS AND SYSTEM BENEFIT ADVANCEMENT

Although RENs are not subject to a minimum cost-effectiveness threshold, 3C-REN actively monitors TSB performance and budget-to-TSB ratios to promote responsible stewardship of ratepayer funds. The UVM framework complements traditional resource metrics by tracking operational efficiencies and system impact drivers, including:

- The percentage of fuel substitution projects across SF HES, CES, and Multifamily (MHES);
- The projected kWh and therm savings identified through EAS audits;
- The volume of technical assistance cases generating implementation pipelines; and
- The percentage of projects leveraging additional non-ratepayer funding.

These metrics demonstrate how electrification growth, pipeline strengthening, and external funding leverage can increase overall system impact without narrowing access to higher-cost equity projects.

Table 5-1. Unique Value Metrics Overview and Reporting Approaches

Unique Value Metric (UVM)	Description	Tracking and Reporting Approach	Strategic Importance
% of Jurisdictions with installed SF HES project	Measure geographic distribution of SF NMEC program implementation and SF NMEC projects are reaching communities across full region	Numerator: Count of jurisdictions with SF NMEC projects installed Denominator: Count of jurisdictions	Ensures implementation is equitable, adequately marketed, accessible across all jurisdictions.
% of fuel substitution SF HES projects	% of SF NMEC projects that include fuel substitution measures	Numerator: Count of fuel substitution projects Denominator: Count of projects	Demonstrates SF NMEC program support of CA's decarbonization goals and program's role in advancing electrification in communities where it may face cost and access barriers otherwise
% of fuel substitution CES projects	% of CES projects that include fuel substitution measures	Numerator: Count of fuel substitution projects Denominator: Count of projects	Demonstrates CES program support of CA's decarbonization goals and program's role in advancing electrification in communities where it may face cost and access barriers otherwise

Unique Value Metric (UVM)	Description	Tracking and Reporting Approach	Strategic Importance
% of completed projects that utilized additional leveraged funds to cover the costs of the project	Measures percentage of completed projects that secured funding from complimentary programs (3CE, TECH, SGIP, LIWP, SOMAH[85]) to help fully cover the total project costs.	Numerator: Number of completed projects using leveraged funds; Denominator: Total number of completed projects.	Demonstrates MHES' ability to maximize cost-effectiveness by reducing customer costs, supporting deeper energy upgrades and higher participation for equity customers.
% of decisionmakers who received advanced technical assistance	Measures percentage of project decisionmakers (owners, property managers, management companies) who received advanced technical assistance	Numerator = Number of completed projects that have advanced tech TA flag; Denominator = Total number of completed projects.	Demonstrates the value of MHES' specialized concierge service and enables the completion of deeper/more complex projects through technically informed decision making (education) that may not be achievable through an incentive program without technical assistance.

[85] Central Coast Community Energy (3CE), TECH Clean California (TECH), Self-Generation Incentive Program (SGIP), Low-Income Weatherization Program (LIWP), and Solar on Multifamily Affordable Housing Program (SOMAH).

Unique Value Metric (UVM)	Description	Tracking and Reporting Approach	Strategic Importance
% of projects serving priority communities and populations (e.g. seniors, unhoused, deed-restricted)	Measures the diversity of equity participants that the MHES serves that live outside the CPUC current equity definitions	Numerator = Number of completed projects that are Senior Housing [affordable and clinical/for profit], NOAHs, Deed restricted, Supportive Housing for the Unhoused; Denominator = Total number of completed projects.	Demonstrates MHES ability to gap fill for other PAs through targeted outreach, equity focused incentives and engage communities and populations that may face barriers to participation in EE programs but may not be captured by CPUC-defined equity targeting
% of MHES projects with fuel substitution measures	% of MHES projects that include fuel substitution measures within the scope	Numerator: Count of completed projects with a fuel substitution measure Denominator: Count of completed projects	Demonstrates MHES program support of CA's decarbonization goals and its role in advancing electrification in communities where it may face cost and access barriers otherwise
# of kWh and/or therms predicted savings if EAS audit measures are implemented	Tracking of estimated savings (kWh and/or therms) resulting from measures implemented due to referrals from the program; savings based on engineering firm's methodology	Based on engineering firm's methodology	Demonstrates a commitment to energy saving/efficiency even for non-resource program

Unique Value Metric (UVM)	Description	Tracking and Reporting Approach	Strategic Importance
# of EAS technical assistance cases/audits	Number of cases or audits that we serve through this program	Count of cases or audits that we serve through this program	Demonstrates activity/value per ratepayer dollars
# of EAS program referrals	Number of participants connected to other programs	Count of participants connected to other programs	Demonstrates collaboration/connection to other resources
% of EAS technical assistance cases for facilities in commercial HTR, disadvantaged, or underserved communities	Spatially analyzes locations of facilities and whether they meet CPUC guidelines for commercial HTR, disadvantaged, or underserved communities	Numerator: Number of sites that meet CPUC guidelines for commercial HTR, disadvantaged, or underserved communities guidelines Denominator: Number of technical assistance cases	Demonstrates coherence and alignment with CPUC guidelines and other programs (e.g. Commercial NMEC uses the same the guidelines)
# of Ag program referrals	Number of participants connected to other programs	Count of participants connected to other programs	Demonstrates collaboration/connection to other resources
# of Ag technical assistance cases/audits	Number of cases or audits that we serve through this program	Count of cases or audits that we serve through this program	Demonstrates activity/value per ratepayer dollars

Unique Value Metric (UVM)	Description	Tracking and Reporting Approach	Strategic Importance
% of territory jurisdictions receiving technical assistance	Percentage of unique jurisdictions located within 3C-REN territory that have requested technical assistance through the Energy Code Coach offering	Numerator: Count of jurisdictions with staff requests; Denominator: Count of jurisdictions	Measures local government engagement and readiness to support high performance building and electrification initiatives
# of organizations (private) receiving technical assistance	Number of unique private organizations or individuals located within 3C-REN territory that have requested technical assistance through the Energy Code Coach offering	Count of local organization staff requests	Measures partner organization engagement and readiness to support high performance building and electrification initiatives
# of jurisdictions receiving at least 1 marketing touch	Number of unique jurisdictions with at least one contact receiving marketing emails from Constant Contact	Count of local jurisdiction contacts included in marketing outreach and eblast analytics	Demonstrates connection to regional actors and provides visibility into jurisdictional participation across the tri-county
# of events hosted by BPT each year	The total number of trainings, webinars, in-person or virtual events hosted	Count of planned and completed events	Demonstrates efforts to provide workforce offerings that are high quality, relevant, and aligned with local labor needs
# of attendees from all BPT events each year	The total number of unique, non-duplicative individuals that attend BPT events on a calendar year basis	Count of individual contacts event attendance, reported as total number of attendees	Measures program reach and support data informed event and outreach planning
% of unique attendees who attended two or	The percentage of unique (non-duplicative) individuals who have	Numerator: number of unique attendees who have	Measures participant retention and continued

Unique Value Metric (UVM)	Description	Tracking and Reporting Approach	Strategic Importance
more BPT events in one year	attended more than one event in a single calendar year	attended more than one event in a single calendar year Denominator: total number of unique attendees who have attended events in a single calendar year	engagement, indicating the relevance and value of trainings
# of in-person BPT events	The number of in-person (non-virtual) BPT events	Count of in-person events in a single calendar year	Supports direct engagement, relationship building, and effective delivery of information related to high performance building and electrification

1

H. STRATEGIES TO OPTIMIZE THE PORTFOLIO AND MANAGE RISK

3C-REN uses TSB goals and cost-effectiveness metrics as performance management tools to optimize portfolio performance while preserving the primary purposes of its segmented portfolio under D.21-05-031. Because 3C-REN's portfolio is mostly equity and market support programs, TSB targets are not treated as singular decision drivers, but rather as one component of a broader portfolio optimization strategy that balances and values equity, access, market development, and long-term decarbonization outcomes.

1. Use of Goals and Metrics

3C-REN uses integrated information technology systems and structured stakeholder engagement processes to track program goals, monitor savings and equity outcomes, and inform portfolio optimization. These approaches help measure 3C-REN's progress toward savings, equity, and market support outcomes, and inform continuous improvements to programs and the overall portfolio.

The majority of 3C-REN program data is tracked in a customer relationship management (CRM) database. 3C-REN's database serves as the primary record keeping system to capture lead status, project progression, incentive commitments, participant characteristics, and equity indicators, including HTR and DAC flags. 3C-REN uses the database to run reports and analysis on program data, as well as to build program "dashboards" for each program or service. These dashboards allow 3C-REN staff to visualize program metrics. Program dashboard track metrics such as leads generated and engaged, project progress through key stages, incentive commitments relative to budget, HTR and DAC participation rates, measure mix, and electrification trends.

For example, 3C-REN's WE&T dashboard for the BPT program includes graphic representations of the number of events held monthly and year over year, the number of events

taught per instructor, as well as the number of event attendees per event and per zip code. These visuals quickly reveal program insights, such as which times of year are busiest, which events are most well-attended, and which locations across the Tri-County Region are most active. BPT and ECC also conduct quarterly surveys to solicit feedback from participants.

3C-REN's dashboard for the Multifamily HES program includes charts that represent things like the target number of leads the program intends to engage monthly to meet program goals versus the actual number of leads engaged per month. These reports and dashboards allow 3C-REN to determine areas of program success and potential challenges that require more staff attention.

For the NMEC programs, single-family and commercial, 3C-REN coordinates with implementers who house extensive data tracking systems. For example, Recurve's FlexMarket platform is used to track performance-based project data for single-family and commercial programs. During weekly coordination meetings, 3C-REN reviews data alongside implementer systems to assess pipeline health, and projected savings. Recurve and 3C-REN are actively building an API to integrate FlexMarket data into 3C-REN's database to automate data integration and increase program data efficiency.

Claims and cost effectiveness performance are reconciled through formal QA/QC processes prior to CEDARS submissions, including quarterly true-ups to align internal tracking with reporting requirements.

3C-REN actively engages with its stakeholder communities to ensure they have opportunities for meaningful participation in the continuous improvement and optimization of 3C-REN's portfolio as well. For example, part of 3C-REN's stakeholder and participant feedback loop involves surveys of event and training attendees. The information gathered through these surveys

supports 3C-REN's quantitative tracking of program goals and metrics and also allows for free-form responses regarding what additional needs or ideas participants would like to share for future offerings.

3C-REN also conducts targeted outreach surveys, including validation of primary language other than English for HTR criteria in the single-family program, using this as an opportunity to access customer experience.

3C-REN also holds annual aggregator roundtables for its single-family and commercial programs and holds regular meetings with implementers to assess performance trends and identify operational improvements.

3C-REN assesses this quantitative and qualitative performance on an ongoing basis to inform program design and optimize its portfolio. This is done frequently and through various venues to ensure 3C-REN is responding to participant needs with current programming. Some examples of these assessments include quarterly BPT and ECC survey feedback review, quarterly project pipeline reviews for the equity programs, in addition to extensive data dives and forecasting for Annual Reports and regular filings (MCAL, TUAL, BPA).

2. Plans and Procedures for Staying "On-Target"

With the CPUC's clear and repeated affirmation that RENs do not have a threshold for cost-effectiveness,[86] 3C-REN remains committed to prudent use of ratepayer funds and ensuring its programs are effective, equitable, and inclusive. Consistent with this commitment, 3C-REN is dedicated to monitoring overall portfolio performance and ensures that programs remain aligned with approved goals via program management. Additionally, 3C-REN has a dedicated staff member responsible for portfolio-wide performance management and oversight that utilizes a

[86] D.21-05-031 at 52.

database for detailed tracking of program and implementer performance. The database gives program managers real-time visibility into program progress toward energy savings, as well as other targets associated with value metrics, equity metrics, and market support metrics. At the portfolio level, 3C-REN monitors budget-to-TSB ratios during formal forecast updates and evaluates savings trajectories relative to approved targets to ensure responsible allocation of ratepayer funds. This allows for timely identification of areas for improvement and course correction if needed, as well as identification of program efficiencies and successes that could be replicated to optimize other aspects of 3C-REN's portfolio. Through this structured oversight and feedback process, 3C-REN balances fiscal stewardship with its equity and market support objectives, ensuring that cost-effectiveness metrics are used to inform decision-making without undermining the core purposes of the REN portfolio.

I. RISK MANAGEMENT APPROACH

1. Approach to Risk Management

3C-REN utilizes an active approach to portfolio management that identifies and addresses underperformance risk across programs and sectors. Performance is monitored regularly through TSB, participation forecasts, incentive spending, and pipelines. TSB goals are reevaluated with formal filings, including recently in the Mid-Cycle Advice Letter 14-E/13-G.

3C-REN staff is directly involved in every aspect of program offerings providing local expertise. Staff routinely assess what is driving or limiting performance, including reservation activity, contractor engagement, and equity participation. Pipeline health is closely monitored to ensure sufficient project volume.

When underperformance is identified, 3C-REN pursues corrective actions, which can include adjusting incentive multipliers, refining outreach strategies, reallocating budget across sectors, or increasing contractor recruitment. Through this flexible framework, 3C-REN seeks to

proactively manage risks while maintaining progress towards savings and equity objectives.

2. Approach to Flexible Portfolio Management

For 3C-REN to meet its goals and desired outcomes, flexibility must be retained with regard to several aspects of portfolio management. Flexibility in use of program budgets as well as in the ability to close programs and open new programs in existing sectors are critical for optimizing the use of ratepayer funds and ensuring programs are achieving goals and targets.

Flexibility in layering various funding resources is of great importance for driving equity outcomes for HTR, DAC, underserved, and ESJ communities. As local governments, RENs have a unique ability to incorporate other funding resources such as infrastructure funds, which could be used to supplement energy efficiency program funding and expand program benefits to marginalized populations.

3C-REN's ability to optimize programs and portfolios relies on flexibility to be able to respond to new guidance from CPUC, such as the segmentation approaches outlined in D.21-05-31. Flexibility is also necessary to allow 3C-REN to learn and respond to input from program, sector, and segment stakeholders on changes needed to improve program uptake and customer satisfaction. Similarly, flexibility is important for 3C-REN to be able to incorporate findings related to EM&V, not just of 3C-REN programs but other evaluations across the state.

Another area where flexibility is needed relates to innovative program offerings such as 3C-REN's cross-cutting sector offering for commercial and public facilities, the EAS program. This program delivers comprehensive load management to shape the customer experience. This involves providing tailored audits to address facility needs and bespoke technical assistance to achieve goals related to not just energy efficiency but also resiliency, sustainability, and other complementary interventions, such as preparing them to implement DERs to offer security from

power shutoffs.

J. PROCUREMENT PRACTICES

As 3C-REN continues operating and developing its existing programs, consultants and implementers may be retained through competitive solicitations for design or implementation services. All such solicitations will be conducted in accordance with the procurement protocols of the County of Ventura, which serves as the lead agency for 3C-REN, as well as applicable requirements of the partner Tri-County jurisdictions, as described below.

3C-REN follows current bidding and solicitation rules set by the Tri-Counties and led by County of Ventura as the lead agency. These rules are designed to ensure fair and equitable bidding in accordance with State and local laws. As a local government, 3C-REN administers its procurement processes in a manner that is open and transparent, consistent with California law and local government contracting requirements. Contracts requiring Board approval are reviewed and executed by the Ventura County Board of Supervisors, comprised of elected officials. Large contract approvals are agendized and discussed at public Board meetings that are subject to the Brown Act.

3C-REN's procurement framework incorporates practices that comply with applicable State statutory requirements and local rules governing competitive solicitations. Those contracts that do not go to Board of Supervisors for approval follow the procurement review process that includes various levels of approval from the Auditor-Controller and County Counsel.

Additionally, 3C-REN's procurement practices comply with Assembly Bill (AB) 339 (Government Code § 3504.1), effective January 1, 2026. The legislation requires local public agencies to provide recognized employee organizations with at least forty-five (45) days' written notice prior to contracting services that fall within the scope of work of the job classifications represented by the recognized employee organization. The County of Ventura, as lead agency, will

implement all required notice procedures to ensure full compliance with this statutory obligation.

County of Ventura, as the lead agency for 3C-REN, will continue to utilize County of Ventura Procurement procedures. The County of Ventura operates a centralized purchasing and materials management system, which is under the authority of the Purchasing Agent. The County of Ventura has a Vendor Self Service application and Vendor Information Portal[87] that allows vendors to create and manage an account where they can search and respond to County bid opportunities, review financial transactions, and submit invoices. Procurement develops and utilizes a standard service contract that has been approved by County Counsel.

Through risk distribution among staff and partners and fair and transparent procurement practices as detailed herein, 3C-REN mitigates the risks associated with procurement for its energy efficiency portfolio and ensures responsible stewardship of ratepayer-funded resources.

1. Risk Distribution

3C-REN incorporates flexibility and diversity in its solicitation strategy in order to mitigate and distribute risk across its portfolio. 3C-REN contracts and partners with a wide range of organizations to provide program delivery services, from non-profit community-based organizations to other local government entities to for-profit consultants and companies. These program delivery services may include, but are not limited to, program implementation, specialized technical and engineering expertise for field work and desk analysis, workforce education and training, data management services, and regulatory consulting. By employing a broad network of partners, 3C-REN diversifies operational responsibility, mitigates performance risk associated with any single contractor, and maintains the flexibility necessary to manage its

[87] Ventura County Procurement homepage last accessed November 2025 at https://venturacounty.gov/general-services-agency/procurement-home/.

portfolio while ensuring high-quality services for program participants.

In parallel with its diversified external partnerships, 3C-REN has taken deliberate steps in recent years to strengthen internal staff capacity for program leadership and oversight. This includes providing staff training on CPUC energy efficiency policies, regulatory requirements, portfolio administration, and program management best practices. 3C-REN has also been working in recent years to build internal capacity for managing data collection instruments and program databases. These efforts provide multiple benefits: they reduce the risk associated with over-reliance on external vendors for critical data tracking and reporting functions and increase internal expertise and resources to support these essential portfolio management activities.

Increasing staff capacity around data management has been vital as 3C-REN has worked to establish tracking capabilities related to equity and market support indicators, and will continue to be crucial to 3C-REN's portfolio as additional accountability and reporting mechanisms ordered in D.23-06-055 are implemented. These include, but are not limited to, non-energy benefits study requirements and indicators (Ordering Paragraphs 17, 18, and 19), demographic data reporting (OP 23), community engagement indicators (OP 24), equity and market support goal constructs (OP 25), and community-based design processes (OP 31).[88]

2. Incorporation of Input on Current Solicitation Practices

As requested by stakeholders in the California Energy Efficiency Coordinating Committee (CAEEEC) process during a prior business plan cycle, 3C-REN commits to posting all Requests for Proposals (RFPs) and related competitive solicitations on the "Proposal Evaluation & Proposal Management Application" website designed for energy efficiency programs, and on any additional platforms deemed appropriate to maximize visibility and participation. Further, as requested by

[88] D.23-06-055 at 122-131.

CAEECC stakeholders, 3C-REN will continue to coordinate with the IOUs to evaluate opportunities for utilizing common PA procurement channels, including the IOUs' Proposal Evaluation & Proposal Management Application, where feasible and consistent with 3C-REN's local government procurement policies and statutory requirements.

Through these actions, 3C-REN incorporates stakeholder input to enhance transparency, broaden vendor participation, and promote consistency across Program Administrator solicitation practices, while maintaining compliance with local government procurement rules.

3. Supplier Diversity

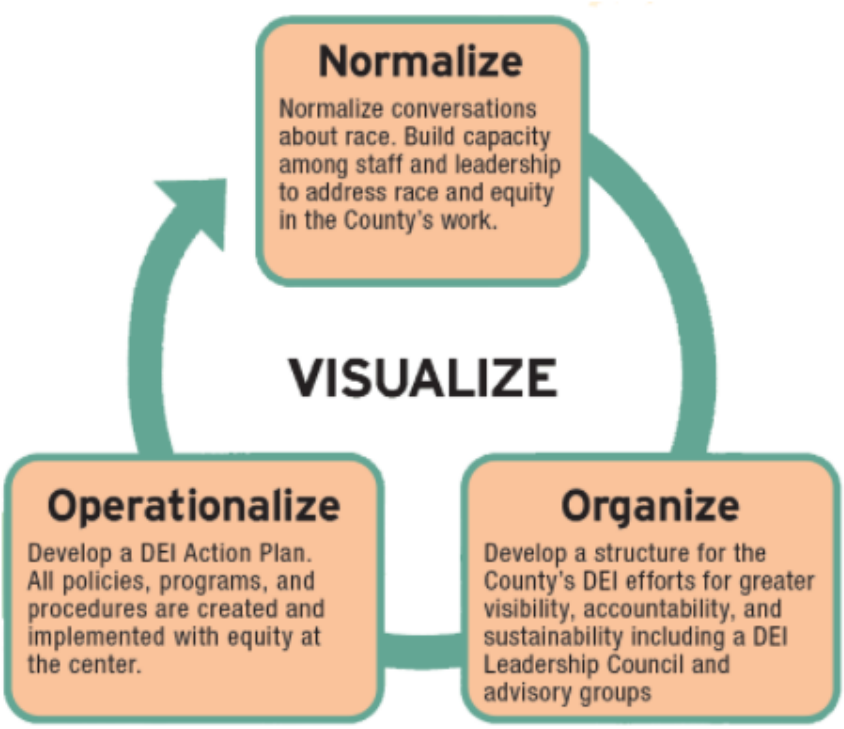
Approach to Outreach and Participation of Diverse Businesses in Solicitations

3C-REN is committed to conducting outreach and encouraging participation of diverse businesses in solicitations, including new and small businesses and disadvantaged business enterprises (DBE), as well as organizations and businesses in markets that have not historically participated in EE programs. This commitment extends to ensuring that solicitation processes are transparent, accessible, and structured to reduce barriers to participation for smaller and underrepresented firms.

Ventura County, as the lead agency for 3C-REN, will work closely with its Community and Belonging Division staff of Diversity, Equity, and Inclusion (DEI) Officer and its Council to advance equitable practices within its solicitation processes. Established in 2017, the Council promotes equity through engagement with representatives from agencies across all levels of the organization. The Council provides recommendations to Ventura County leadership regarding policies, programs, and initiatives and serves as a link between all County of Ventura Agencies

and the community.[89] The Council also serves as an important advisory resource to help ensure equity considerations are integrated into 3C-REN programs, activities, and procurement practices.

Figure 5-2: Ventura County's Community and Belonging Division and its Council Planning Process for Advancing Equity



Alignment with 3C-REN's Overall DBE Target

As a REN program administrator, 3C-REN does not offer third-party programs according to the CPUC definition and does not have an overall DBE contracting target established under General Order 156. However, the solicitation strategies described in this application are consistent with the intent of General Order 156 to encourage participation of Disadvantaged Business Enterprises in utility-related contracting opportunities.

Ventura County, as the lead agency for 3C-REN, can provide guidance through its

[89] Office of Diversity, Equity & Inclusion – Ventura County, last accessed January 2022 at https://www.ventura.org/county-executive-office/dei/.

connection to the regional stakeholders. These workforce education and training activities provide additional pathways for engaging diverse contractors and businesses, expanding awareness of program opportunities, and fostering long-term market participation consistent with supplier diversity objectives.

4. Continued Stakeholder Engagement in the Solicitation Process

3C-REN maintains an open and transparent solicitation process that incorporates ongoing stakeholder engagement within its procurement procedures. Stakeholder input is considered in the development of solicitation scopes, evaluation criteria, and outreach strategies, consistent with local government procurement requirements.

Ventura County General Services Agency Procurement Services Division has received the Excellence in Procurement Award for 2000-2020[90] and follows procurement values established by NIGP: The Institute for Public Procurement, the national organization supporting public procurement professionals:[91]

- **Accountability** – Taking ownership and being responsible to all stakeholders for our actions. This value is essential to preserve the public trust and protect the public interest.
- **Ethics** – Doing the right thing. Avoiding conflict of interests. Acting ethically and responsibly to preserve the public trust and protect the public interest.
- **Impartiality** – Unbiased decision-making and actions. This value is essential to ensure fairness for the public good.

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[90] https://www.ventura.org/general-services-agency/awards/.

[91] Procurement Services – Ventura County. https://www.ventura.org/general-services-agency/procurement-services/.

- **Professionalism** – Upholding high standards of job performance and ethical behavior. This value is essential to balance diverse public interests.
- **Service** – Obligation to assist stakeholders. This value is essential to support the public good.
- **Transparency** – Easily accessible and understandable policies and processes. This value is essential to demonstrate responsible use of public funds.

Collectively, these procurement values guide 3C-REN's solicitation practices and vendor selection processes. By adhering to these principles, 3C-REN ensures fairness, accountability, and equitable participation while maintaining the integrity of public procurement and the responsible stewardship of ratepayer funds.

K. STATEWIDE PROGRAMS [IOUS AND BAYREN]

[Intentionally omitted – 3C-REN does not currently offer statewide programs.]

L. STATEWIDE ASSESSMENT

Ordering Paragraph 2 of D.23-06-055 directed the PAs to "coordinate among themselves and propose a statewide program portfolio assessment process to review and recommend changes to the portfolio of statewide programs." As described in the final OP 2 deliverable (included in Exhibit 4), the initial coordination among PAs to comply with this order began as an IOU-only coordination effort. The IOUs began meeting among themselves in August 2025 and drafted a proposal, which was shared with non-IOU PAs in mid-October 2025. The first meeting inclusive of all PAs occurred on November 5, 2025. PG&E led the working group of participating PAs, and 3C-REN participated in good faith once non-IOU PAs were invited to participate. The Working Group then attempted to find agreement among PAs to further refine the IOU-developed proposal and to identify issues that the Commission would potentially need to address as part of this process.

3C-REN provides *qualified* support for the development of a structured assessment framework, as indicated in the survey results also included in Exhibit 4. However, because the initial framework development occurred within an IOU-only coordination structure and the inclusive process began later in the timeline, there was insufficient opportunity to establish a shared understanding of the Commission's intent and collaboratively develop a framework from the ground up with full buy-in from all PAs. Due to these significant limitations, 3C-REN recommends that the assessment process require further clarification and refinement to ensure it is transparent and consistent with the Commission's intent.

The product of the working group focuses heavily on local programs being upscaled to statewide programs, despite disagreement among PAs regarding whether the assessment is intended to look only at existing statewide programs or also at local and regional programs. The plain language of D.23-06-055 Conclusion of Law 7 and Ordering Paragraph 2—taken together—appears to focus on the evaluation of *existing* statewide programs.

> Conclusion of Law 7. All of the PAs should coordinate among themselves and propose an assessment process **for the statewide programs** in their next portfolio applications due in 2026. [emphasis added][92]
>
> Ordering Paragraph 2. The portfolio administrators (PAs) must coordinate among themselves and propose a statewide program portfolio assessment process to review and recommend **changes to the portfolio of statewide programs**. This proposed assessment process shall be included in the PAs' portfolio applications to be filed in 2026 or may be filed as a motion in Rulemaking 13-11-005 or its successor, if the proposal is ready before the next portfolio application filing. (emphasis added][93]

If the Commission ultimately supports upleveling (transitioning localized programs to

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92 D.23-06-055 at COL 7.

93 *Id*. at OP 2

statewide administration) of programs as in-scope for the OP 2 assessment framework, it is important that this approach be balanced with criteria that recognize the benefits of retaining local and regional programs and that establish a fair and equally viable pathway for "down-leveling," where appropriate. Localized delivery can offer meaningful advantages for equity-focused programs that align directly with the core purpose of RENs and their continued role in California's energy efficiency portfolio. The current appears more oriented toward upleveling decisions, while down-leveling functions largely as a default outcome if statewide criteria are not met. If upleveling and down-leveling are included within scope by the Commission, strengthening the framework with additional criteria that account for local context and regional market conditions would help ensure balanced decision-making.

Even where a statewide program passes the assessment matrix and remains statewide, there should be clear consideration for continued localized program delivery where it improves equitable access or addresses service gaps. The presence of a statewide program (or upleveling of some local/regional programs) should not automatically prevent localized implementation, particularly where REN programs demonstrate enhanced participation among equity communities. One of the core purposes of RENs is to bridge service gaps that may persist under broader statewide delivery models. In past guidance the Commission has addressed this issue and recognized the value of local program approaches *alongside* statewide programs:

> Some aspects of energy efficiency delivery are inherently local and not appropriate for statewide implementation. Thus, having a policy supporting RENs is not inconsistent with requiring a statewide approach, as some of the utilities suggested in their comments. The energy efficiency market landscape is complex, and there is room and need for both statewide and local approaches, depending on the market and program strategy. This is especially true when it comes to hard-to-reach customer segments, which contain an increasing number of CCA and utility customers in California. Thus, the Commission's energy efficiency policy framework should

> appropriately maintain a role for local government administration of funds to further our energy efficiency goals, especially in certain areas.[94]

3C-REN recommends that the assessment framework be improved through a more inclusive, transparent, and balanced approach consistent with the Commission's prior recognition of the complementary roles of statewide and local program delivery.

[94] D.19-12-021 at 18.

CHAPTER 6
SEGMENTATION AND SECTOR STRATEGY

A. RESIDENTIAL

The Residential sector strategy advances equitable energy savings and decarbonization for single-family and multifamily housing through complementary programs benefitting equity target participant (HTR, DAC, Underserved) communities.

1. Single-Family Home Energy Savings

The Single-Family HES program delivers measurable energy to equity target participant single-family households between one and four dwelling units. Savings are claimed using a population NMEC Measurement and Verification (M&V) platform. As one of the only residential population NMEC programs in the state, the program deploys a network of energy efficiency installers (aggregators) who receive performance-based incentives on the metered savings achieved with their installations, tying compensation to customer savings and grid benefits. Key end uses include space conditioning, water heating, and whole-home electrification upgrades, although the NMEC program approach allows for a wide range of potential upgrades that deliver measurable energy savings.

2. Multifamily Home Energy Savings

The multifamily residential equity is a whole building program that emphasizes deep retrofits to deliver energy savings targeting equity multifamily communities. The program requires three or more upgrades in the project scope, a percentage of which must directly benefit tenants, to achieve a minimum GHG savings per apartment. The program includes site assessments, comprehensive technical assistance, and rebates paid directly to property owners/managers. The incentive structure also includes enhanced incentives for underserved properties and adders for high performance measures, such as heat pumps.

Across the residential sector, both Single-Family and Multifamily programs promote stacking with other available incentives to reduce customer costs, supplement ratepayer dollars, and extend program reach. The single-family program has a Spanish-speaking concierge who support participants, helping households and property teams navigate the program and resources. The multifamily program provides comprehensive technical assistance throughout the entire project lifecycle to ensure property owners have support in finding and stacking funding from different sources to make their projects affordable. This integrated strategy strengthens participation of equity populations, lessens impacts on ratepayers, and delivers measurable energy savings alongside non-energy benefits related to health, comfort, and safety.

B. COMMERCIAL

The Commercial sector strategy focuses on delivering measurable energy savings and decarbonization outcomes for small- and medium-sized businesses, nonprofits, and municipal facilities by pairing performance-based incentives with locally delivered support. The strategy prioritizes HTR businesses that often face capacity, language, and administrative barriers that can limit participation. As one of the only commercial electrification programs in the state, key end uses include space conditioning and water heating, as well as high-impact energy efficiency upgrades, such as refrigeration and lighting, in existing buildings.

1. Commercial Energy Savings

The Commercial Energy Savings program is an equity-segment offering that targets HTR businesses and delivers measurable energy savings using a population NMEC approach. The program prioritizes small-to-medium businesses that meet HTR criteria, including those located in disadvantaged communities, those with primary languages other than English, and Tribal communities. It emphasizes comprehensive retrofits in existing commercial buildings. The delivery model is designed to lower costs for both businesses and contractors by using participating

aggregators to develop and implement projects, with performance-based incentives tied to verified metered savings that align contractor compensation with participant savings and grid benefits.

A core element of the commercial strategy is locally delivered concierge support, provided by staff grounded in the tri-county community, to help participating businesses navigate project scoping, documentation, incentive, and financing support where available. This approach is intended to expand access for priority commercial participants by reducing administrative and time barriers while supporting deeper, higher-quality projects that improve comfort, operations, and affordability for small organizations equitably.

C. AGRICULTURAL

3C-REN's high-level strategy for the agricultural sector is to address persistent participation barriers in the agricultural sector through relationship-based outreach, partnership-building, and customized technical assistance.

1. Agriculture Energy Solutions

The Agriculture Energy Solutions program (a Market Support segment offering) prioritizes smaller producers and socially disadvantaged agricultural participants and provides tailored support for agricultural operations with energy-intensive end uses and reliability sensitivities. Program activities focus on helping producers understand energy use patterns, identify practical efficiency and electrification opportunities, and connect to complementary incentive and funding pathways that support implementation. The strategy includes specialized assistance for indoor agriculture/cannabis and for water–energy nexus opportunities—reflecting the region's operational realities and the importance of solutions that can reduce operating costs while supporting long-term resource stewardship in the agricultural sector.

D. PUBLIC

Public agencies can be served by our CES (section A.2 of this chapter) and EAS Programs (section A.5). Given that all public agencies in San Luis Obispo and Santa Barbara are HTR per CPUC's geographic criteria, 3C-REN's ability to provide technical assistance through EAS and energy upgrades through CES fills a critical market need.

E. CROSS-CUTTING

The Cross-Cutting sector strategy strengthens regional market capacity and advances high performance building practices through integrated workforce development, codes and standards support, and technical assistance for community facilities. These programs prioritize access for equity target participants and public agencies and facilities that serve critical community needs.

1. Building Performance Training

The cross-cutting WE&T program functions as the Tri-County region's central hub for building science education, technical training, and professional development. Its strategy is to address persistent workforce gaps by increasing access to high performance building knowledge, with an emphasis on decarbonization, electrification, and energy efficient design and construction. To accomplish this, the program delivers flexible in person, online, and on-demand training tailored to the diverse needs of the local workforce, including existing building professionals, emerging workers, students, and those in HTR and DACs. By reducing barriers related to geography, time, language, and cost, the program expands participation while strengthening a coordinated regional network of trainers, community partners, and industry stakeholders.

Key target populations include architects, engineers, HVAC contractors, electricians, plumbers, real estate professionals, building and safety staff, sustainability staff, facility managers, and students from high school, community college, and technical programs. Because the region's building stock is dominated by residential and small-to-medium commercial structures, the

program's training content prioritizes these end uses—particularly single-family homes, followed by multifamily properties and light commercial buildings. The program's broader strategic intent is to build long term workforce capacity for high performance buildings by fostering collaboration among community organizations, trade allies, training providers, and municipal agencies, ultimately creating a pipeline of workers capable of supporting decarbonization and energy efficiency goals across all sectors.

2. Energy Code Connect

The C&S crosscutting program provides comprehensive regional support to improve the implementation, enforcement, and comprehension of California's energy and green building codes—primarily Title 24, Part 6 (Energy Code) and Part 11 (CALGreen). Through a blend of in-person trainings, online courses, technical workshops, field-based mentorship, and recurring regional policy forums, the program equips both public and private sector professionals with the tools needed to navigate evolving code requirements. Because codes change on a three-year cycle and are frequently misunderstood or unevenly applied, the program emphasizes clarifying updates, addressing common misinterpretations, and providing localized examples that help building professionals apply code requirements consistently across jurisdictions. By centralizing resources, fostering partnerships, and offering on-call expert assistance, the program has positioned the PA as a trusted leader in supporting energy code compliance throughout the region.

In addition to strengthening fundamental code literacy, the program actively explores and responds to emerging needs across the building industry. This includes education on the intersection of energy codes and wildfire resiliency, permit streamlining, heat pump water heater requirements, and the development of electrification and reach code policies. The program also evaluates and builds capacity to support jurisdictional electrification planning and compliance with

AB 39, ensuring local governments have access to technical assistance for long term decarbonization planning. By addressing gaps such as limited translated training materials, limited ECC raters, and uneven access to professional development, the program works to expand equitable access to high quality code training and technical support across the region.

The program serves a wide range of market actors, including building departments, permitting and inspection staff, architects, engineers, energy consultants, contractors, HERS and ECC Raters, Acceptance Test Technicians, Green Point Raters, Certified Energy Analysts, developers, and building owners across residential, commercial, and public sectors. 3C-REN also collaborates with community-based organizations and regional partners to extend training access and support local workforce development.

The program's crosscutting focus spans plan review, permitting workflows, field inspection practices, documentation completion, electrification (including heat pumps and water heating), wildfire-resilient design considerations, CALGreen requirements, and the development and implementation of reach codes and electrification plans. These efforts support improved code compliance, easier permitting experiences, and regionwide alignment on energy standards.

3. Energy Assurance Services

EAS is a cross-cutting Market Support program serving public agencies/jurisdictions, nonprofits, and educational institutions. The program prioritizes critical facilities and community-serving locations. Appropriately positioned as a cross-cutting program, it supports both the public and commercial markets by providing high-quality audits and technical assistance that can be applied across facility types, ownership structures, and local capacity levels.

The program delivers facility-specific analyses that help participants understand potential energy and cost impacts of recommendations, helps to reduce uncertainty, and supports decision-

making. EAS also provides ongoing technical assistance to help facilities navigate implementation pathways, including identifying and pursuing complementary incentives and funding resources. High-caliber, deep energy audits predict energy and cost savings if recommended measures are implemented. This level of facility-level analysis is unique to 3C-REN's technical assistance and can provide real value of energy efficiency measures. The overall program approach facilitates lowers costs, improves project readiness, and strengthens the pipeline of implementable projects that can move into available incentive programs and other implementation resources.

F. SECTOR BUDGETS

Table 6-1. Budget Distribution by Sector

	Budget Distribution by Sector ($)								
	Sector								
Budget	**Residential**	**Commercial**	**Industrial**	**Agricultural**	**Public**	**Cross-Cutting**	**EM&V**	**Portfolio Support**	**Total Budget**
2028	13,571,703	2,995,480	-	510,881	-	5,231,583	979,604	1,200,855	**24,490,105**
2029	14,234,178	3,104,254	-	523,200	-	5,382,917	1,020,835	1,255,489	**25,520,873**
2030	14,932,457	3,292,368	-	566,856	-	5,627,630	1,072,126	1,311,708	**26,803,145**
2031	15,596,289	3,410,577	-	579,640	-	5,785,199	1,114,220	1,369,577	**27,855,502**
Total (4-Year)	**58,334,626**	**12,802,680**	**-**	**2,180,577**	**-**	**22,027,329**	**4,186,785**	**5,137,628**	**104,669,625**
2032	15,455,740	3,547,000	-	602,826	-	6,781,007	1,158,789	1,424,360	**28,969,722**
2033	16,073,970	3,688,880	-	626,939	-	7,052,247	1,205,140	1,481,334	**30,128,511**
2034	16,716,929	3,836,436	-	652,016	-	7,334,337	1,253,346	1,540,587	**31,333,651**
2035	17,385,606	3,989,893	-	678,097	-	7,627,711	1,303,480	1,602,211	**32,586,997**
Total (4-Year)	**65,632,244**	**15,062,210**	**-**	**2,559,877**	**-**	**28,795,302**	**4,920,755**	**6,048,492**	**123,018,880**
Cumulative Total (8-Year)	**123,966,870**	**27,864,889**	**-**	**4,740,454**	**-**	**50,822,632**	**9,107,540**	**11,186,120**	**227,688,505**

G. PORTFOLIO SEGMENTATION STRATEGY

Rationale and Criteria for Portfolio Segmentation and Budget Distribution (4-Year Plan): Decision 21-05-031 directed "program administrators to further segment their portfolios based on the primary program purpose, into the following three segments": (1) Resource Acquisition, (2) Market Support; and (3) Equity. That Decision further observed that 'RENs, by their nature and primary purposes, are more likely to have a greater share of their portfolio devoted to market support and/or equity programs.' RENs are also eligible to run codes and standards programs, which lie outside of both the REN "buckets" and the portfolio segmentation "buckets."

In order to implement its eight-year vision, for its four-year 2028-2031 portfolio plan 3C-REN proposes to continue expanding and innovating its seven existing programs. The portfolio of programs proposed by 3C-REN consists largely of Equity Segment and Market Support programs, balanced with one Codes and Standards Program.

High-Level 8-Year Portfolio Segmentation Strategy: 3C-REN's continued long-term vision is to build a resilient energy ecosystem that supports federal, state, and local climate goals through the delivery of integrated energy saving and decarbonization programs that empower a sustainable local economy and reduce social disparities in the Tri-County Region. Given this focus on just and regenerative local systems for energy efficiency, it is appropriate to continue 3C-REN's segmentation strategy of equity, market support, and codes and standards for its portfolio over the eight-year horizon. Since 3C-REN's inception in 2018, 3C-REN has pursued continuous improvement and iteration in its energy efficiency portfolio through data collection, analysis, and ongoing stakeholder engagement with its communities. Measurement of program performance for informed decision-making is a key overarching strategy for 3C-REN in the proposed eight-year portfolio and 3C-REN will continue to assess and innovate its program approaches over the

strategic business plan period.

H. RESOURCE ACQUISITION

The Resource Acquisition segment is defined as "[p]rograms with a primary purpose of, and a short-term ability to, deliver cost-effective avoided cost benefits to the electricity and natural gas systems."[95] Given its continued vision for building *long-term* and sustainable energy ecosystems, 3C-REN's portfolio is appropriately focused on Equity, Market Support, and Codes and Standards. However, 3C-REN does offer Equity programs that provide energy savings and reduced bills to customers, as well as total system benefits to all ratepayers. Equity programs are described within the Equity Segment section later in this chapter.

I. MARKET SUPPORT

1. Market Support Strategies and Activities

3C-REN's Market Support strategy strengthens the long-term success of the regional energy efficiency market by building workforce capacity, expanding institutional expertise, and increasing access to high-quality technical assistance across residential, commercial, agricultural, and public sectors. Through integrated WE&T, EAS, and AES programs, the portfolio advances market readiness, reduces participation barriers, and creates clear pathways from education and technical assistance to implementation. These coordinated activities directly support the Commission's Market Support objectives while reinforcing Resource Acquisition goals by developing skilled market actors, generating implementation-ready projects, and increasing sustained demand for energy efficiency solutions.[96]

The EAS program builds and maintains regional demand for energy efficient products by

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[95] D.21-05-031 at 14.
[96] D.23-06-055 at 58.

educating public agencies, educational institutions, and nonprofits on the operational, financial, and resilience benefits of upgrading their critical facilities. Through its referral-based model of leveraging longstanding relationships with local governments, community-based organizations, and regional networks, EAS reaches customers who may not otherwise have access to tailored efficiency education. The program uses high caliber engineering and consulting partners to deliver deep energy audits that estimate potential energy and cost impacts if recommended measures are implemented. This helps facility leaders clearly understand the value of efficiency solutions and the long-term benefits of high-performance building systems.

EAS also strengthens demand by providing hands on, customer centered support throughout the entire project lifecycle from audit to funding navigation, to eventual implementation through 3C-REN's commercial program and other statewide resources. In a region increasingly focused on resilience hubs, wildfire preparedness, and energy reliability, EAS emphasizes the link between efficiency, electrification readiness, storage, and distributed generation. This framing reinforces that energy efficient upgrades are not only cost saving, but foundational to community resilience. By pairing trusted relationships with tailored technical education, EAS boosts confidence in energy efficient technologies and drives sustained demand among public sector and mission driven institutions.

3C-REN's BPT program builds long term demand for energy efficient products and high-performance building practices by equipping the regional workforce with the knowledge and skills needed to recommend, design, and implement efficiency solutions. The program trains architects, engineers, contractors, inspectors, energy consultants, real estate professionals, and emerging workers across the residential and commercial sectors where the majority of the region's building stock and renovation activity occur. Training topics reflect real world shifts in building science,

electrification policy, and market expectations, helping professionals understand why technologies such as heat pumps, all electric design, and advanced envelopes are becoming industry norms. This approach enables practitioners not only to perform the work, but to confidently communicate the benefits of efficiency to their clients, expanding informed customer demand.

Demand is also supported through accessible learning pathways, including in person, virtual, on demand, and Spanish language offerings designed to reach hard to serve workers and disadvantaged communities. Regional factors such as local code updates, wildfire rebuilding needs, and rising market interest in healthier, climate resilient buildings further increase the need for relevant, high-quality training. When local policies affect other sectors (e.g., indoor agriculture efficiency regulations), BPT expands its offerings accordingly. By acting as the central training resource for high performance buildings and coordinating with a broad network of partners, BPT cultivates a skilled workforce that fuels customer interest, market readiness, and long-term demand for energy efficient solutions.

The AES program builds demand for energy efficient technologies by providing relationship based, individualized education to growers, ranchers, and agricultural operators. Using one-on-one technical assistance, the program helps customers understand the benefits of efficiency upgrades, available technologies, and pathways to implementation. Its customized assessments highlight both cost saving opportunities and the water–energy nexus, which is an especially pressing issue for agricultural operations in the region experiencing groundwater constraints, rising energy costs, and increasing regulatory pressures. By clearly illustrating how efficiency improvements reduce costs, improve operations, and support long term resource stewardship, the program motivates producers to pursue energy efficient solutions.

To broaden impact, the program partners with trusted agricultural groups, technical

assistance providers, Resource Conservation Districts, and commodity organizations to disseminate educational resources at industry events, workshops, and field days. Targeted outreach ensures smaller producers and socially disadvantaged farmers have equitable access to information and support; these are groups that often lack the time, staff capacity, or capital to explore efficiency upgrades on their own. As extreme weather, water shortages, and shifting market conditions heighten the need for operational resilience, the program positions energy efficiency as a practical and economic strategy for regional agricultural stability. By supporting producers across the food system, the program strengthens awareness and long-term demand for efficient equipment, irrigation technologies, and integrated water–energy solutions.

While not segmented within Market Support, 3C-REN's Single-Family and Commercial programs support demand by pairing concierge support with clear retrofit pathways to overcome knowledge and awareness barriers for customers that typically lack time and internal energy expertise to identify and pursue retrofits. Similarly, the Energy Code Connect offers education and upskilling to effectively comprehend and enforce compliance with code, and Multifamily Home Energy Savings program provides technical assistance and customer education to develop comprehensive whole building projects. Together, programs drive proper installation, code compliance, interest in and demand for deeper retrofits with greater energy savings.

Market Support Sub-Objective #2: Supply: Build, enable, and maintain supply chains to increase the capability and motivation of market actors to supply energy efficient products and/or services, and to increase the ability, capability, and motivation of market actors to perform/ensure quality installations that optimize energy efficiency savings.[97]

The 3C-REN portfolio strengthens the regional supply of energy efficient products and services by building the capability, motivation, and capacity of market actors to deliver high-

[97] D.23-06-055 at 58.

quality, high-performance installations. In the geographically isolated Tri-County region, where contractor availability is limited, travel distances are long, and many building professionals operate as small businesses—the supply chain for energy efficient technologies is uniquely constrained. To address these conditions, the portfolio delivers a coordinated set of training, technical assistance, and project enablement services that expand the workforce's knowledge, readiness, and confidence to supply efficiency solutions.

Across sectors, the portfolio cultivates a skilled and adaptable workforce through 3C-REN's BPT program. BPT provides recurring, accessible training that equips contractors, designers, inspectors, and emerging professionals with the technical competencies needed to install modern energy efficient equipment, particularly in the rapidly evolving areas of heat pumps, ventilation, building envelopes, and all electric design. Trainings, which are delivered in person, online, and on-demand, ensure contractors understand both the "why" and "how" of high-performance building practices, reducing market hesitation, and improving installation quality. By creating consistent exposure to new technologies and standards, BPT builds long-term supply-side capacity and supports a stable pipeline of qualified contractors capable of meeting growing demand.

Complementing this workforce development effort, EAS enhances supply chain performance by generating actionable, well-scoped project opportunities and clearer project scopes that support procurement and implementer handoff, and connecting customers with qualified implementers. Through advanced analysis performed by engineering and energy consulting partners, EAS provides customers with detailed forecasts of the energy, cost, and resilience benefits associated with efficiency upgrades. These assessments support high-quality installations by clarifying technical requirements, informing equipment selection, and reducing uncertainty for

both customers and contractors. EAS also links facility owners with appropriate incentives and programs, such as 3C-REN's commercial program, local CCA programs, investor-owned utility initiatives, and other funding opportunities—thereby strengthening business pathways for implementers and reinforcing the supply of efficiency services in public and nonprofit facilities.

The AES program further builds supply-side strength across the region's diverse agricultural operations. Through relationship-driven technical assistance, farm and ranch assessments, and partnerships with Resource Conservation Districts, irrigation advisors, and other agricultural technical assistance providers, the program creates clear project opportunities that motivate implementers to deliver energy-efficient equipment and practices. By supporting growers in navigating incentives, understanding technology applicability, and identifying cost-effective upgrades, the program reduces barriers for both customers and contractors. This work is especially critical in a region experiencing water scarcity, rising operational costs, and regulatory pressures, which are conditions that heighten the need for efficient irrigation, pump optimization, and water-energy nexus solutions.

Together, the EAS, BPT, and AES programs create a coordinated ecosystem that strengthens the supply chain for energy efficient technologies across residential, commercial, public, and agricultural sectors. This integrated approach improves installation quality, reduces market friction, expands contractor participation, and ensures that the Tri-County region has the technical capacity needed to deliver on California's energy and decarbonization goals.

Market Support Sub-Objective #3: Partnerships: Build, enable, and maintain partnerships with consumers, governments, advocates, contractors, suppliers, manufacturers, community-based organizations and/or other entities to obtain delivery and/or funding efficiencies for energy efficiency products and/or services and added value for partners.[98]

3C-REN advances Market Support goals by maintaining a deliberate partnership ecosystem that spans consumers, local governments, contractors, suppliers and manufacturers, utilities/CCAs, community-based organizations (CBOs), and sector-specific networks. In a geographically dispersed Tri-County region, partnering with trusted local intermediaries is essential to reach priority audiences efficiently, reduce duplication, and integrate energy efficiency within ongoing regional initiatives (e.g., resilience hubs, workforce pipelines, ag extension). Through this ecosystem, 3C-REN improves delivery efficiency, amplifies partner value, and strengthens sustained participation in EE services across residential, commercial/public, and agricultural markets.

Building Performance Training

BPT partners with homeowners, building & safety departments, contractor associations, suppliers/manufacturers, workforce boards, and advocacy/CBO partners to expand access to relevant, hands-on learning. These relationships embed training within established professional and community networks, helping 3C-REN reach emerging workers and disadvantaged communities through flexible in-person, virtual, and on-demand offerings.

Partnerships with suppliers and manufacturers allow 3C-REN to connect with contractors in the places they already engage. For example, the Tri-County Heat Pump Water Heater hands-on training series and other cohosted events pair manufacturer representatives and equipment with 3C-REN's technical curriculum, shortening the path from training to high quality installations.

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[98] *Id.*

Collaboration with regional contractor associations provides access to existing contractor audiences that are already interested in regional resources, strengthened by ongoing relationships with association leadership. Workforce Development Boards are also key partners, especially in outreach to High Road Construction Careers pre-apprenticeship graduates, which expands equitable access to training and supports the pipeline of new workers. Government partnerships include direct outreach to building and safety departments each quarter when new WE&T offerings are released, along with jurisdiction-specific trainings that build stronger engagement and understanding. Finally, 3C-REN works with local advocates such as the SLO Climate Coalition to support outreach efforts in San Luis Obispo County.

Energy Assurance Services

EAS collaborates with public agencies, nonprofits, resilience-focused CBOs, and other nonresidential program administrators to deliver high-value technical assistance to critical facilities. Government and CBO partners inform offerings, generate referrals, and integrate efficiency within broader community resilience and capital planning efforts. EAS then connects facilities with the right implementation partners and funding sources, including 3C-REN programs, CCAs, IOUs, statewide initiatives, and other opportunities that help projects move from assessment to implementation. Work with local governments includes ongoing coordination that supports jurisdictions receiving their own EAS audits, such as the HTR jurisdictional partner at the Arroyo Grande Police Department, while also helping identify additional facilities. This government involvement builds credibility, encourages participation, and aligns technical assistance with capital planning and resilience goals. EAS also collaborates with community-based organizations, such as through aligned intake with the Community Environmental Council's Resilience Hub Accelerator Program, enabling EAS to provide energy-efficiency technical

assistance that becomes integrated into resilience hub planning. This approach ensures efficiency is prioritized as the first and most cost-effective step before pursuing solar and storage, ultimately lowering lifecycle costs and improving backup power performance for critical facilities. Coordination with other program administrators includes routine communication and two-way referrals to match facilities with the most suitable technical assistance, incentives, and implementation pathways. Examples include aligning with CC-LEAP, SoCalREN's Energy and Resilience Action Plan, Clean Power Alliance's Energizing Communities Program, 3CE and TECH for commercial incentives, and SoCalREN, PG&E, or SCE for public-sector offerings. These relationships reduce duplication, shorten the time from audit to project, improve funding efficiency, and support effective incentive stacking and sequencing of upgrades.

Agriculture Energy Solutions

AES cultivates partnerships with farm bureaus, Resource Conservation Districts (RCDs), water districts, UC Cooperative Extension, USDA NRCS/FSA, crop advisors, irrigation specialists, and agriculture-serving businesses (*e.g.*, lenders, equipment dealers). Embedding outreach and technical assistance in these trusted channels reduces transaction costs for producers and implementers and aligns EE with core operational concerns (water, reliability, input costs). This strengthens adoption and long-term program participation. These partnerships are also used to reach smaller producers and USDA-defined socially disadvantaged farmers, including Spanish-speaking-only operators. Partnerships with agriculture networks help embed energy-efficiency support directly into the places where producers make decisions. By working with Farm Bureau chapters, Resource Conservation Districts, water districts, UC Cooperative Extension, USDA offices, as well as crop advisors and irrigation specialists, EAS is able to incorporate energy-efficiency content into field days, workshops, and advisory visits. This approach meets

producers where they are, aligns with water-reliability concerns, and creates a clear pathway to incentives and technical resources. EAS also engages service business providers such as agriculture lenders, equipment dealers, and supply retailers by placing outreach materials at key decision points. These partnerships leverage existing purchasing and financing relationships, making efficient pumps and irrigation controls more familiar to producers and increasing both implementer visibility and the uptake of quality installations. This approach addresses producers' current needs, aligns with water reliability priorities, and provides a clear pathway to incentives and technical resources. EAS engages agricultural service providers, including lenders, equipment dealers, and supply retailers—by placing outreach materials at key decision points, leveraging existing relationships to increase familiarity with efficient pumps and irrigation controls, enhance implementer visibility, and support adoption of high-quality installations.

Market Support Sub-Objective #4: Innovation and Accessibility: Build, enable, and maintain innovation and accessibility in technologies, approaches, and services development to increase value, decrease costs, increase energy efficiency, and/or increase scale of and/or access to emerging or existing energy efficient products and/or services.

3C-REN accelerates innovation and accessibility by moving beneficial, efficient technologies toward mainstream adoption. Hands-on training, field support, and lowering participation barriers (financial, linguistic, geographic) support residents, contractors, facilities, and producers across the Tri-County region implement solutions at scale. This work directly supports California's building decarbonization direction. Buildings account for approximately 24% of statewide GHG emissions, and policy and codes increasingly encourage electric heat pump technologies and electrification-ready designs. California policy and market-building efforts are targeting millions of heat pump installations by 2030, and the 2025 Energy Code expands heat-

pump-forward and electric-ready requirements in new construction and replacements.[99]

BPT brings emerging building technology into everyday practice via field demonstrations, mobile labs, and classroom integrations, giving professionals and students hands-on experience with space-heating/cooling heat pumps, HPWHs, advanced ventilation, and high-performance envelopes. The program also reduces barriers with in-language offerings (e.g., Spanish), on-demand recordings, and scholarships for priority certifications so students, entry-level workers, and small contractors can upskill without prohibitive costs.

EAS offers tailored energy audits for critical facilities within the tri-county region. These audits are customized to meet the specific needs of each facility, with a focus on resiliency, energy efficiency, and comprehensive load management. For example, when sizing solar and battery systems, the program collaborates with facility managers to identify critical loads and services that need backup for a potential three-day power outage. Eligible program participants include facilities managed by municipalities, special districts, nonprofits, religious institutions, and other agencies. Selection criteria focus on the community services provided, the benefits of the evaluation to the facility, and the facility's interest in implementing energy upgrades. Along with audit services, EAS offers benchmarking services for commercial facilities seeking to comply with State regulations (AB802).

EAS navigates funding opportunities, such as statewide grant programs, and incentive programs, such as 3C-REN commercial program and/or those offered by CCAs, SoCalREN, IOUs, or TECH. The technical assistance, bespoke to each facility, delivers a clear project scope and forecasted energy and utility cost savings. As a result, facility managers can adopt innovative

[99] California Heat Pump Partnership. *Heat Pump Partnership*, accessed on Feb. 12, 2026 at https://heatpumppartnership.org/.

measures with lower costs and faster implementation.

AES brings emerging & underutilized agriculture efficiency tech into day-to-day operations via on-farm assessments, benchmarking, and pump testing, with recommendations that address both operational costs and the water–energy nexus. This includes helping customers understand how time-of-use rates relate to irrigation scheduling, pumping, and monitoring.

Focus measures include high efficiency irrigation pumps, variable frequency drives (VFDs), smart irrigation/pressure management and controls, high efficiency refrigeration/cold storage, and process improvements.

The program prioritizes smaller and socially disadvantaged producers, offers Spanish-language support, and coordinates incentives/technical assistance with Resource Conservation Districts (RCDs), Natural Resource Conservation Service (NRCS), and utilities so innovative measures are practical and financeable in the Tri-County context of rising energy costs and groundwater constraints.

Market Support Sub-Objective #5: Access to Capital: Build, enable, and maintain greater, broader, and/or more equitable access to capital and program coordination to increase affordability of and investment in energy efficient projects, products, or services. [Activity example: financing.][100]

3C-REN advances equitable Access to Capital by reducing or eliminating the financial barriers that prevent workers, contractors, public agencies, and agricultural producers from participating in energy efficiency and decarbonization projects. Across all programs, 3C-REN's strategy focuses on lowering upfront costs, simplifying access to funding, and integrating financial support with technical assistance so that customers can implement high performance, cost saving solutions that might otherwise remain out of reach.

[100] *Id*. at 59.

Through BPT, 3C-REN expands access to capital for workers and small contractors by directly removing the financial hurdles associated with entering and advancing within the clean energy workforce. Grants and scholarships offset or fully cover the cost of priority trainings and industry recognized certifications, which are often prohibitively expensive for students, early career workers, and smaller firms. Participants also receive no cost Continuing Education Units (CEUs) and free access to on-demand technical resources, which reduce ongoing licensure costs and prevent professional stagnation due to financial constraints.

Looking forward, BPT's approach is designed to continue lowering soft costs and increasing workforce readiness by expanding online learning tools, integrating more hands-on trainings, and strengthening partnerships with workforce boards to support paid participation for disadvantaged and underrepresented workers. These future-oriented strategies build a more financially resilient workforce and ensure the Tri County region has a steady pipeline of trained professionals capable of delivering high quality energy efficiency installations at scale.

EAS broadens access to capital by creating clear and actionable pathways from technical assistance to implementation funding for public agencies, nonprofits, schools, and other critical community facilities. Following an audit, facilities can access concierge services through 3C-REN Commercial Energy Savings program. The concierge connects the facility to utility and CCA rebate programs, state and federal funding opportunities, and financing options. One salient example is 3C-REN's partnership PG&E's Commercial On-Bill Financing program. These mechanisms allow customers to combine multiple forms of support, reducing or eliminating upfront costs while enabling deeper, more comprehensive energy efficiency upgrades.

EAS also coordinates closely with complementary program administrators, including Central Coast Community Energy (CCE), Central Coast Leaders in Energy Action (CC-LEAP),

Clean Power Alliance (CPA), SoCalREN, and statewide TECH offerings. This coordination ensures that facilities can leverage the full suite of available resources without duplication. In the future, 3C-REN intends to expand financial navigation services, improve multi-program project bundling, and continue strengthening its cross-PA coordination so that capital access becomes seamless for local jurisdictions and mission-driven community organizations. These actions ensure that projects identified through EAS's high caliber technical analysis can move efficiently into implementation, maximizing the financial benefits of energy efficiency investments.

The AES program improves access to capital for agricultural producers by providing personalized technical assistance that identifies cost effective measures and navigates the full array of incentives, rebates, and funding programs available at the regional, state, and federal levels. Many small and socially disadvantaged producers—especially those who are Spanish speaking—lack the time, staff capacity, or financial flexibility needed to explore energy efficiency improvements. AES removes these barriers by supporting project scoping, developing cost informed recommendations, and facilitating referrals to implementer partners, utilities, and financing entities.

Looking ahead, the program will continue to build relationships with Resource Conservation Districts, USDA funding programs, water districts, and agricultural lenders to create more predictable, streamlined pathways for securing capital. By aligning energy efficiency improvements with existing grant cycles, agricultural incentives, and financing tools, the program positions producers to make long term, affordability driven investments that support both operational resilience and the region's broader water–energy nexus goals.

2. Market Support Sectors & Forecasts

3C-REN proposes continued integration of market support strategies across all active

sectors rather than withdrawing from any program areas. AES proposes focusing on relationship-based, partnership-driven technical assistance that emphasizes utility bill analysis, benchmarking, and energy assessments, with tailored recommendations that package measures for water–energy nexus opportunities and reliability needs, while strengthening referrals to complementary incentive and funding programs to support implementation. EAS proposes focusing on scaling deep energy audits and ongoing technical assistance, while prioritizing critical facilities and community-serving locations, by providing end-to-end support from project development through implementation. The WE&T program also proposes expanding coordinated training for building professionals to further support the local market to participate in 3C-REN's equity programs. Collectively, these market support investments reduce soft-cost and capacity barriers and increase the share of technical assistance engagements that convert into implemented projects through 3C-REN and other complementary implementation programs.

J. EQUITY

1. Equity Strategies and Activities

3C-REN's Equity segment strategy embeds equity as a foundational design principle across its Single-Family, Multifamily, and Commercial programs. Rather than treating equity as a standalone offering, 3C-REN integrates equity-focused program design, targeted outreach, and enhanced technical assistance to increase participation among HTR, underserved, and disadvantaged communities while delivering measurable resource acquisition benefits. The strategy focuses on reducing structural participation barriers that commonly limit participation in equity communities, prioritizes aging and inefficient building stock, and aligns program delivery with the Commission's objectives to expand access, reduce emissions, and improve community resilience.

3C-REN further reinforces its commitment to equitable program delivery by using internal

performance metrics and targeted outreach goals to prioritize communities identified in the state's ESJ framework. The portfolio emphasizes access to tailored, locally delivered energy efficiency programs in the residential sectors, ensuring that equity communities benefit from education, outreach, and program availability designed to reflect regional needs. These internal metrics guide resource allocation and outreach strategies, helping the program systematically expand participation and measurable benefits in priority communities. Concierge-style support, enhanced incentives, and partnerships with local governments and trusted community-based organizations help ensure equity target participants can fully benefit from program offerings, including through 3C-REN's in-house concierge model that strengthens community connection and trust. The single-family and Commercial programs provide direct concierge assistance to help customers navigate the complexity of energy efficiency programs, with in-house bilingual support available in English and Spanish for the single-family program. For Spanish-speaking support for the Commercial program, 3C-REN partners with Green Business Program partners.

Unlike models that rely on external consultants who may not live or work in the region, 3C-REN's concierge is a local government staff member embedded in the community. Customers receive invaluable support, even if they are not eligible for incentives.

> *"Working with 3C-REN's commercial concierge service has been an invaluable experience for our museum. From the start, the concierge offered highly personalized guidance that helped us understand our complex energy rates and utility bills ...They walked us through our usage patterns, clarified confusing cost structures, and ensured we were placed on the rate plan best aligned with the museum's needs ... Perhaps most importantly, the concierge team went above and beyond to ensure that both of our museum sites could qualify for state-funded, no-cost battery installations .... It is no exaggeration to say that we would not have received this level of support—or these substantial benefits—without their direct involvement."* - Museum of Ventura County, Concierge Customer

2. Equity Subcategories Definitions Refinement

3C-REN supports the Commission's framework distinguishing HTR, underserved, and disadvantaged communities. However, implementation experience indicates that additional refinement or flexibility could improve program design and delivery. In particular, multifamily properties experience persistent participation barriers due to long project timelines, project complexity, split incentives, and limited financing pathways. 3C-REN recommends consideration of broader eligibility recognition for multifamily housing as an HTR category. Additionally, rural and geographically isolated communities may face access barriers not fully captured by existing screening tools, such as CalEnviroScreen not capturing the Cuyama Valley as a DAC. The Cuyama Valley is one of the most geographically isolated communities in the Tri-County Region, with a majority low-income, Spanish speaking agricultural population.

Allowing regional flexibility within the statewide framework would enable more responsive program delivery while maintaining accountability and consistency. One example of this that greatly affects 3C-REN programming is Ventura County. Ventura currently does not meet the geographic criteria for HTR as it is considered part of the United States Office of Management and Budget Combined Statistical Area of the Greater Los Angeles Area. However, Ventura is geographically separated from the greater Los Angeles metropolitan area and experiences geographic isolation that can limit contractor availability and access to implementation resources. Allowing limited regional flexibility within the HTR geographic criteria would better reflect on-the-ground access barriers (e.g., contractor availability and travel distance) and support more accurate equity targeting.

Equity Segment Objective: For hard-to-reach, disadvantaged, and/or underserved communities:

3C-REN's Equity segment is designed to advance four integrated objectives for equity

customers: expanding access to energy efficiency programs; promoting resilience, health, comfort, safety, and affordability; reducing energy-related emissions; and providing workforce opportunities. These objectives are implemented consistently across multifamily, single family, and commercial programs through coordinated program design. While presented as a segment for organizational purposes, equity is a guiding principle across the entire 3C-REN portfolio, informing the design and delivery of every program and serving as a central priority in the portfolio's overall strategy.

Address disparities in access to energy efficiency programs;[101]

Expanding access to energy efficiency programs is achieved by directly addressing the financial, administrative, and technical barriers that disproportionately affect equity communities. In the Multifamily HES program, enhanced incentives and intensive concierge technical assistance enable affordable and naturally occurring affordable housing providers to complete complex retrofit projects that would otherwise be infeasible due to long timelines and financing challenges. This also allows us to bridge the gap to create more informed stakeholders and projects due to small to medium property owners and managers having decreased capacity to spend on projects and are often unfamiliar with new technology. To further ease the financial burden, the Multifamily HES program regularly leverages funds from other available programs to extend projects, The single-family HES program uses incentive multipliers, curated contractor networks, and partnerships with local governments and community-based organizations to reach HTR households, particularly in rural and geographically isolated areas. Similarly, the Commercial program serves small and medium businesses, nonprofits, and municipal facilities that often lack time, capital, and administrative capacity to navigate statewide offerings. Both the single-family

[101] D.23-06-055 at 57.

and commercial programs have dedicated in-house concierge support from 3C-REN staff to reduce participation friction and improve project follow-through. Across all sectors, data-informed outreach prioritizes communities with historically low participation and aging building stock.

Promote resilience, health, comfort, safety, energy affordability, and/or energy savings;[102]

Program activities also promote resilience, health, comfort, safety, and energy affordability by accelerating electrification and high-efficiency upgrades in buildings serving equity communities. Multifamily retrofits strengthen building-level resilience by reducing dependence on fossil fuel infrastructure and enabling integration with distributed energy resources, allowing properties to remain operational during outages. In single-family homes, electrification improves household resilience, indoor air quality, and safety while reducing long-term energy burden through efficient heating and cooling technologies. The rural and geographically isolated communities in 3C-REN's region are susceptible to PSPS, wildfires, and other natural disasters, and the home serves as the center for resilience. Therefore, single-family home improvements enhance health, comfort, and safety during times of disruption. Commercial upgrades enhance business continuity during grid disruptions and create healthier, more comfortable workplaces. Education through concierge services for both the single-family and commercial programs provide information on utility rates, peak pricing periods, and load management strategies for customers to be able to make informed decision making and understand opportunities for reduced energy usage and lower utility bills. EAS also provides planning and technical analysis for solar and storage to customers, further supporting resilience, through IDSM offerings in partnerships with Central Coast Climate Collaborative's Resilience Hub Accelerator program. This partnership

[102] *Id*. at 57 n.56 ("Energy affordability pertains to bill savings achieved through increased efficiency in energy use, delivering the same or improved level of service with a lower cost to the customer.").

highlights the growing regional movement to establish resilience hubs across the Central Coast. Across all programs, replacing combustion equipment with efficient electric alternatives reduces indoor pollutant exposure, eliminates safety risks associated with gas appliances, and stabilizes operating costs for residents and businesses.

Reduce energy-related greenhouse gas and criteria pollutant emissions;[103] and

Reducing energy-related greenhouse gas and criteria pollutant emissions is a central outcome of equity-focused program delivery. To support this objective, the Multifamily HES program requires participating projects to achieve a minimum level of avoided greenhouse gas emissions per dwelling unit to qualify for the full incentive. This performance expectation is incorporated into the design phase in coordination with technical assistance to ensure stakeholders remain informed and aligned with program goals. By targeting aging multifamily buildings, underserved single-family homes, and inefficient commercial facilities, 3C-REN prioritizes projects with significant electrification and efficiency potential. These upgrades displace fossil fuel use, modernize building systems, and deliver measurable emissions reductions while advancing statewide decarbonization goals. Performance-based measurement platforms, including NMEC approaches in the residential and commercial sectors, support accurate tracking of energy savings and emissions impacts. Due to 3C-REN's investment in facility-level, use-specific deep analysis through the EAS program, the program can also accurately forecast potential greenhouse gas emissions reductions associated with recommended measures if implemented, strengthening its ability to anticipate and plan for emissions impacts across participating facilities.

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[103] *Id*. at 57 n.57 ("The term "criteria pollutant" refers to: ground-level ozone, particulate matter, carbon monoxide, lead, sulfur dioxide, and nitrogen dioxide. *See* the following link: https://www.epa.gov/criteria-air-pollutants.").

Provide workforce opportunities.[104]

Equity program delivery also expands workforce opportunities by strengthening the regional clean energy contractor ecosystem. Multifamily and commercial retrofits create sustained demand for skilled labor in high-performance building technologies. In the single-family sector, aggregator partnerships allow smaller contractors to participate in incentive programs even when they lack internal administrative capacity. In 2025 3C-REN offered a HPWH Contractor Kicker to local contractors that might participate in the Multifamily program and are looking to increase outreach and coordination with local contractors. These efforts also focus on engaging local contractors, including Spanish-speaking contractors and businesses that may face language or cultural barriers to participating in programs. Contractors across all sectors benefit from 3C-REN's Workforce Education and Training and Codes and Standards initiatives, which provide technical training, coaching, and exposure to emerging high-efficiency technologies. 3C-REN also works with workforce partners to provide hands-on training opportunities. Through a partnership with SunWork, contractors are paid to install heat pump water heaters while supporting workforce training. In addition, partnerships with regional Workforce Development Boards through High Road Construction Careers programs that provide stipends that help trainees enter and stay in the clean energy construction industry. These coordinated efforts build long-term workforce capacity while increasing economic opportunities in communities served by the programs.

3. Equity Sectors & Forecasts

3C-REN serves equity target participants across the residential and commercial sectors, including single-family residential, including manufactured homes, multifamily residential, small

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[104] *Id*. at 58 n.58 ("The term "workforce opportunities" includes, but is not limited to, work opportunities in the energy efficiency supply chain and with companies/non-profits that deliver energy efficiency services, as well as the workers who implement the work within equity segment programs.").

and medium commercial businesses, nonprofits, and municipal facilities. 3C-REN proposes continued integration of equity strategies across all active sectors rather than withdrawing from any program areas. The Equity segment forecasts serving approximately 9,800 single-family households, 3,600 multifamily dwelling units, and 480 small and medium commercial businesses from 2028-2031. These projections reflect anticipated growth in participation driven by enhanced outreach partnerships and streamlined program delivery.

K. CODES AND STANDARDS

1. Codes and Standards Strategies and Activities

3C-REN's Energy Code Connect (ECC) program advances the Commission's objectives by strengthening statewide standard setting, improving local code compliance, and supporting jurisdictions in the development of ordinances that exceed statewide minimum requirements. This strategy is implemented through a unified regional approach that builds capacity among public agencies, private sector practitioners, and community partners to improve comprehension, enforcement, and application of California's Energy Code (Title 24, Part 6) and CALGreen (Title 24, Part 11).

2. Influencing Standards and Code Setting Bodies

3C-REN actively contributes regional insights to statewide rulemaking led by the California Energy Commission (CEC). Activities include monitoring major Energy Code updates and participating in the public comment process through docket submissions, serving on CEC Subject Matter Expert Advisory Groups, including participation in the Energy Code Study, and conducting quarterly coordination meetings with CEC staff to share implementation trends, Code Coach observations, and recurring compliance issues. These actions ensure that a regional perspective informs future code cycles and statewide guidance materials.

3. Improving Compliance with Existing Codes and Standards

The ECC program improves code compliance by delivering technical assistance, education, and standard aligned resources tailored to regional needs. Key elements include:

- **Code Coach Service:** On-demand expert support for project specific compliance questions, available in both English and Spanish.
- **Building Department Engagement:** Regular in person visits to promote training offerings, address jurisdiction specific implementation challenges, and share practical resources.
- **Educational Content and Tools:** Development and publication of Energy Code Connect blogs, compliance guides, intake forms, Consol certification partnership, and enforcement tools to simplify the application of Energy Code and CALGreen requirements.

Testimonials from local plans examiners, permit technicians, engineers, and HERS/Energy Code Compliance raters demonstrate ECC's direct impact on project efficiency, professional competence, and customer service within permitting and inspection workflows:

- *"3C-REN has been instrumental in my daily planning and review processes for code compliance and building design. The access to knowledgeable professionals, combined with their prompt responses, ensures that our projects remain on schedule. My understanding of the energy code fills me with pride, as I can confidently affirm that we are creating safe and healthy buildings. Contributing to the development of healthy homes has a positive ripple effect throughout our community, as those residing in these spaces play a vital role in enriching our neighborhoods. Moreover, knowing that I can leverage this valuable service to guide*

designers and homeowners toward rebates and minor adjustments that yield significant benefits is incredibly rewarding. Witnessing the excitement in the public's eyes when they realize that such a free service is available fuels my enthusiasm and keeps me proudly promoting the 3C-REN name every day." (Plans Examiner, City of San Luis Obispo)

- *"The energy code can be confusing, and trying to make sense of it alone can prove difficult. The saying "two heads are better than one" is especially true if that second head is one of 3C-REN's Code Coaches. They will break down how the code would apply to a particular scenario and work with you to make sure your project is in compliance."* (Mechanical Engineer in San Luis Obispo)
- *"In the Summer of 2022, I heard about the 3C-REN HERS Rater Certification program from my local building department. I had never heard about the organization or about HERS Rating. But I had been wanting a career change for years and this seemed like a great opportunity. I had an interview with Justin and was accepted into the program. I loved what I learned, from construction fundamentals to the laws of thermodynamics. And what made it even better was that everyone I dealt with at 3C-REN was amazing, so kind and eager to assist. I finished my training and became a certified HERS Rater. After that, 3C-REN encouraged me to get further certifications and I did. A year later, I was fully certified, started my own business and working full time as a HERS Rater. I cannot thank everyone at 3C-REN enough, not only did they pay for the education, but they did the outreach that opened up this opportunity to me in the first place. Now almost 3 years since that first interview and I am loving my career. It feels so great having a small part in making homes more energy efficient on the Central Coast.*

Thank you, 3C-REN!" (HERS Rater in Santa Maria)

4. Assisting Local Governments with Ordinances Exceeding State Minimum Standards

3C-REN supports local governments in evaluating, adopting, and implementing reach codes and other above-code policies. Assistance includes technical analysis, model language development, feasibility review, and support materials for staff and applicants. Notably, 3C-REN assisted the City of San Luis Obispo in developing Energy Efficient Renovation Requirements for major residential additions and alterations, providing guides and intake forms to streamline administration and enforcement.

5. Coordinating With Other Programs and Entities to Advance State Policy Goals

3C-REN works closely with IOUs, other RENs, local government agencies, professional associations, and statewide industry partners to ensure consistency in messaging, avoid duplication of effort, and maximize the reach of C&S services. Coordination includes participation in C&S Portfolio Administrator Sector Coordination meetings with PG&E, the City of Santa Barbara, and local ICC chapters, and sharing training, technical resources, and certification offerings through CABEC, Consol, Energy Code Compliance Program, Local Energy Codes, Efficiency First California, builders' associations, and AIA chapters. These partnerships leverage regional expertise, strengthen workforce development pathways, and support alignment with statewide energy and decarbonization objectives.

6. Codes and Standards Sectors

Although the C&S segment is inherently cross-cutting, 3C-REN serves targeted sectors where code interpretation, enforcement, and compliance improvements can produce significant market impacts. The ECC program focuses on the following sectors within the tri-county region:

Sectors Served:

- **Residential Buildings:** Single-family, multifamily, additions, alterations, and major renovations.
- **Nonresidential/Commercial Buildings:** New construction, tenant improvements, and system upgrades.
- **Public Buildings:** Local government facilities and compliance activities within permitting and inspection functions.
- **Cross-cutting Implementation:** Code comprehension, documentation, plan review, permitting, inspection, and enforcement activities across all building types.

These sectors benefit from consistent application of Energy Code and CALGreen requirements and are central to local compliance challenges noted in the region.

7. Primary Audiences

ECC delivers services to a broad range of actors critical to successful code implementation, including local government building departments, plan checkers, inspectors, architects, engineers, designers, contractors, builders, and trades professionals, energy consultants, Certified Energy Analysts, Associate Energy Analysts, HERS/ECC raters, Acceptance Test Technicians, developers, building owners, regional industry associations, and community organizations. This diverse audience ensures that energy and green building code compliance is strengthened across every phase of project development—from design and permitting to construction and final inspection.

CHAPTER 7
PORTFOLIO COORDINATION

A. COORDINATION WITHIN 3C-REN

This section describes coordination within the 3C-REN portfolio between 3C-REN EE programs, sectors, and segments.

B. SECTOR/SEGMENT SPECIFIC COORDINATION

3C-REN's portfolio alignment is overseen by the Portfolio Manager, who is responsible for ensuring coordination across all programs and sectors. To support this oversight, 3C-REN holds a biweekly all-team meeting where all REN program team members participate to ensure alignment across sectors, segments, and delivery pathways. These meetings provide a standing venue to discuss pipeline status, potential cross-sector customer overlap, upcoming program changes, and emerging coordination needs.

C. PROGRAM-SPECIFIC COORDINATION

1. Sector/segment specific coordination

In addition to portfolio-wide meetings, 3C-REN leads regular program-level check-ins (weekly or biweekly) with implementers to ensure alignment and reduce redundancies wherever possible. For example, at the time of this filing the single-family and Commercial programs are both NMEC programs administered by the same implementer. These teams hold joint weekly meetings where both program teams are present to ensure alignment in customer routing, project tracking, and customer feedback.

Clear program eligibility requirements are communicated to implementers to ensure consistent customer segmentation and prevent internal overlap within market sectors. Program routing is determined using clearly defined criteria, including:

- Residential Sector

- Single-family defined as 4 or fewer dwelling units
- Multifamily defined as 5+ dwelling units

- Non-Residential Sectors
  - Commercial defined by non-residential utility rate
  - Agriculture defined by NAICS code

These eligibility rules establish clear boundaries within sectors and minimize ambiguity during customer intake and project development.

2. Program-specific coordination

3C-REN utilizes a database with shared dashboards for lead tracking and project data across all programs. This centralized system allows staff to view customer engagement across sectors and supports cross-program visibility before incentive reservation approval.

To prevent internal duplication, 3C-REN conducts a manual review after reservation approval. This review includes checking database records and reviewing implementer-provided pipeline reports to confirm that customer records are consolidated rather than duplicated. This is key for tracking coordination between programs, where multiple 3C-REN programs contribute to an overarching portfolio goal as described in Chapter 5. For example, a contractor may attend an energy code training through the ECC program and also support the installation of energy efficiency retrofits through one of the equity resource programs. This combination of shared dashboards and manual review also serves as a key internal safeguard against duplicate participation and double claiming of savings in those resource programs.

The 3C-REN Portfolio Manager ensures cross-program alignment and provides leadership for a centralized data team, led by a dedicated Data Manager who operates this coordination through shared systems and data governance. Through portfolio oversight, shared data systems,

structured meeting cadence, and clearly defined eligibility criteria, 3C-REN maintains strong internal coordination and minimizes the risk of programmatic overlap within its own portfolio, while maximizing beneficial coordination to support overarching portfolio goals.

D. COORDINATION WITH OTHER PORTFOLIO ADMINISTRATORS

This section provides a high-level description of how the PA coordinates with other PAs on statewide and regional programs, to support portfolio alignment and reduce customer confusion, with a focus on coordination processes, including participants, structure, and frequency.

E. COORDINATION PARTICIPANTS

3C-REN's service area shares geographic territory with SoCalGas, SCE, PG&E, SoCalREN, and CCR REN.

PG&E offers their services in Santa Barbara and San Luis Obispo counties, SoCalGas offers their services in Ventura, Santa Barbara, and San Luis Obispo counties, and SCE offers their services in Ventura and Santa Barbara counties. SoCalREN offers their services in SCE territory in Ventura County and south Santa Barbara County, and CCR-REN offers their services in San Luis Obispo County. Each PA has program offerings that share customer segmentation with 3C-REN programs; however, note that SoCalREN does not have a Codes and Standards offering.

Three CCAs serve the Tri-County Region. CPA serves Ventura County, 3CE serves Santa Barbara and San Luis Obispo Counties, and SBCE serves the City of Santa Barbara.

3C-REN coordinates with all PAs in its territory to support portfolio alignment and reduce customer confusion through ongoing coordination meetings at the PA and sector level as well as well-established data sharing protocols and program rules to ensure no double dipping. In preparation for the application, 3C-REN has had coordination meetings with CCR-REN, SoCalREN, I-REN, PG&E, and SCE to proactively share portfolio plans and strategies. 3C-REN also coordinated with SCE, SCG, and PG&E to share BPA budget information prior to submittal.

F. COORDINATION STRUCTURE AND FREQUENCY

3C-REN implements coordination in various venues including the bi-annual Joint Cooperation Memorandum (JCM) process, quarterly/bimonthly Portfolio Administrator Sector Coordination (PASC) meetings, ad-hoc working groups, and bilateral meetings. These coordination structures are described below.

1. Joint Cooperation Memoranda

JCM coordination involves 3C-REN portfolio managers and sector leads, with participation from counterpart portfolio and program managers at overlapping PAs. The JCM process is a formal, CPUC-required coordination mechanism that documents agreed-upon coordination protocols for each two-year planning cycle. JCMs are developed once every two-year cycle at the beginning or midpoint of the portfolio period, according to a set schedule based on submittal deadlines established in decision language. As directed in D.23-06-055 OP 35, JCMs are due 60 days following Commission approval of the last of each JCM's PAs' true-up advice letters (TUALs) and mid-cycle advice letters (MCALs), as applicable depending on the year. While JCMs are not formally updated mid-cycle, new programs or modifications are communicated through the regular coordination check-ins established in the JCM.

3C-REN participates in multiple JCMs:

- 3C-REN leads the Central Coast JCM consisting of 3C-REN and the three IOUs with which 3C-REN shares territory: SCE, SoCalGas, and PG&E.
- 3C-REN also participates in the Southern California JCM led by SoCalREN, which includes 3C-REN, SoCalREN, SCE, SoCalGas, and I-REN. (Note that I-REN does not overlap with 3C-REN; however, both 3C-REN and I-REN overlap with SoCalREN and therefore participate in the same JCM process.)

The JCM process is described further in the Coordination Practices section further below.

2. Portfolio Administrator Sector Coordination Meetings

In addition to biannual JCM coordination, 3C-REN actively participates in PASC meetings for all relevant sectors included in its portfolio as part of ongoing coordination within the Southern California JCM. These meetings follow a set structure as shown in Figure 7-1:Southern California Portfolio Administrator Sector Coordination Framework and serve as recurring venues for sector-level coordination, information sharing, and alignment among overlapping PAs.

For the Codes and Standards sector specifically, 3C-REN leads the PASC process, further reinforcing its regional coordination role.

PASC meeting frequency by sector:

- Agriculture: Every other month
- Commercial: Quarterly
- Cross-Cutting Codes and Standards: Every other month
- Cross-Cutting Workforce Education and Training (WE&T): Every other month
- Public: Every other month
- Residential: Quarterly

These meetings typically include sector leads from 3C-REN and other PAs, including portfolio managers and program managers. PASC meetings follow an agreed-upon agenda (see example in Exhibit 4) and provide a structured forum to:

- Share program updates and implementation changes
- Discuss marketing and outreach alignment
- Review sector trends and customer targeting
- Raise and evaluate potential overlap concerns

- Coordinate referrals where appropriate

Figure 7-1:Southern California Portfolio Administrator Sector Coordination Framework

Frequency	• PASC meetings will occur on a regular schedule and follow a structured format. • Meeting scheduling will be transparent and informed by each PA's availability. • Each sector has determined the frequency with which they plan to conduct PASC meetings; these details are shared in the *Strategies by Sector* section of this document.
Attendees	• Attendees will ideally include at least one direct representative from each PA organization. • Third-party implementers as well as PA Policy Leads can be included at the discretion of the managing PA based on meeting agenda content to ensure efficient use of resources. • Meetings will prioritize a virtual approach to foster inclusivity across the region. When possible or in conjunction with other in-person activities, PAs can hold in-person or hybrid meetings depending upon PA availability.
Agenda	• Topics discussed in PASC meetings will include, but are not limited to, program entry, exit and amendments (changes) that may impact how the programs possibly conflict or compete with each other (duplication), PA staffing, key customer contact updates, customer confusion, successes that are repeatable through best practices, and potential overlap with new market trends or policy changes. • Additional topics as guided by PA input. • A sample of a possible PASC meeting agenda template is provided as Appendix C. • All PAs will observe anti-trust guidelines and safety requirements in conducting PASC meetings. Each meeting will begin with the communication of both standard anti-trust messaging and a safety message from the facilitating PA.
Facilitation	• The PASC meeting facilitator will contact all SoCal PAs by e-mail two weeks prior to the PASC meeting to request items for inclusion in the agenda. • Completed agendas will be delivered to PAs one week prior to the scheduled meeting date. • Notes and follow-up items will be distributed within two business days of the meeting.

3. Quarterly PG&E Coordination Meetings

Because PG&E is not part of the Southern California JCM and related PASC meetings described above, 3C-REN and PG&E implement a dedicated coordination process for their shared territory, consisting of a set schedule of quarterly meetings. An example agenda is as follows:

1. Previous Action Items
2. Regulatory Updates
3. New Program Entries
4. Program Updates and Discussion by Sector
    a. Single Family
    b. Multifamily
    c. WE&T
    d. Agricultural
    e. Commercial
    f. Cross-cutting

3C-REN's Multifamily program team also has quarterly coordination calls with PG&E to specifically discuss market-rate and ESA multifamily program issues and updates and share best practices, for example, coordination between multifamily energy efficiency programs and the Low Income Weatherization Program.

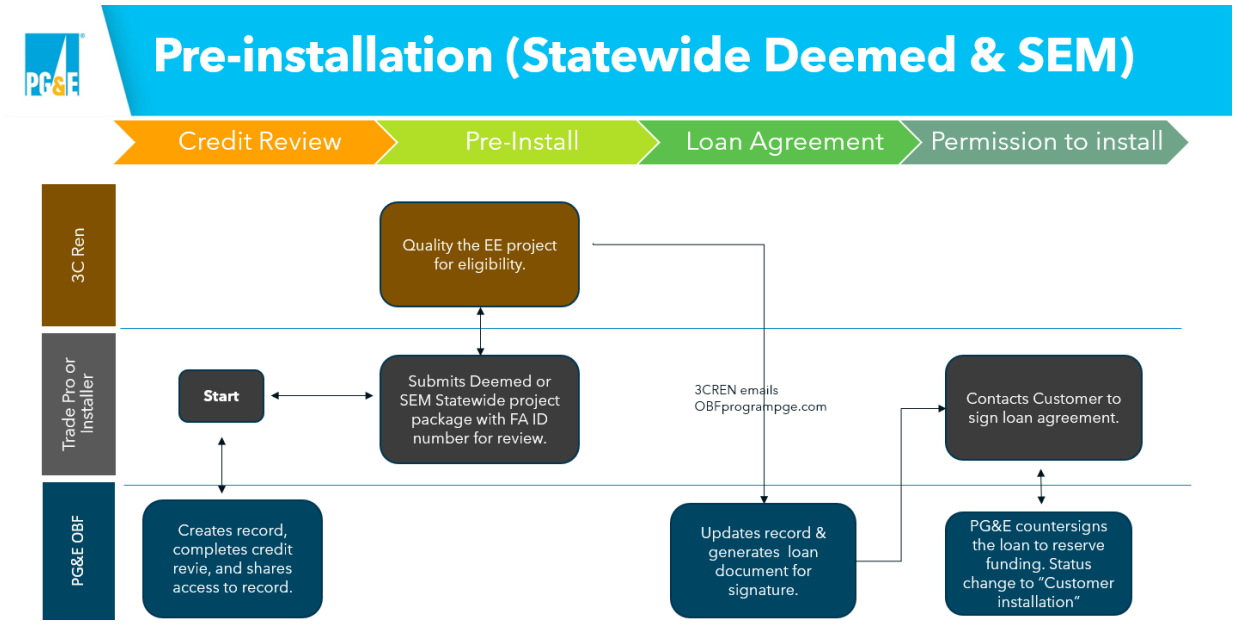
4. Ongoing Regional Coordination to Maximize Ratepayer Benefits

In addition to the formal JCM and PASC processes, 3C-REN leads ongoing coordination practices as an essential component of day-to-day program delivery to strategically inform complementary program design and ensure customers have access to a full suite of appropriate, eligible, and stackable energy efficiency resources. Of note, 3C-REN and Santa Barbara Clean

Energy (SBCE) alternate leading quarterly portfolio-wide coordination meetings. Some sector specific examples of coordination led by 3C-REN include:

- **SoCalREN Public Sector (quarterly):** These meetings between 3C-REN and SoCalREN staff have resulted in 3C-REN providing SoCalREN with referrals for their public sector programs, including Cal State University Channel Islands, City of Santa Barbara, Ventura County Parks, City of Thousand Oaks, and Ventura County Libraries.
- **Central Coast Leaders in Energy Action Program (CC-LEAP) Commercial Audit Offerings:** 3C-REN closely coordinates with the program manager for this PG&E funded commercial audit program. 3C-REN has facilitated connections with the Green Business Programs of Santa Barbara and San Luis Obispo Counties, which have resulted in an influx of leads for this program. 3C-REN's commercial concierge attends the final audit presentation meeting to ensure CC-LEAP participants can access incentive offerings after the audit, including 3C-REN's commercial incentives.
- **PG&E Commercial On-Bill Financing (OBF):** 3C-REN's commercial program and PG&E's Commercial OBF have established a process that streamlines customers accessing 3C-REN's incentives through the commercial marketplace while utilizing financing through PG&E's OBF offering. This partnership has a proven track record and has been recognized in coordination meetings as an example of cross-PA collaboration. See Figure 7-2 for a process diagram of 3C-REN and PG&E coordination.

Figure 7-2: 3C-REN and PG&E On-Bill Financing Coordination Process



- **Clean Power Alliance Public Sector:** 3C-REN regularly coordinates with CPA on their two programs that serve public agencies: Energized Communities and Power Ready. Both programs have an audit component that shares the same engineering firm implementor as 3C-REN's EAS program. 3C-REN and its implementor have developed a coordination process to ensure efficiency and cost-sharing between the two audit programs.
- **Central Coast Rural Regional Energy Network CCR REN Commercial Sector:** 3C-REN's EAS program closely coordinates with CCR REN on their commercial offerings and their support of the Central Coast Climate Collaborative's Resilience Hub Accelerator program to ensure technical assistance offerings are consistent and complementary.

5. Statewide REN Coordination

3C-REN also participates in statewide coordination with other RENs to continue building knowledge and capacity among local governments, community-based organizations, and those who support them, developing a network that currently includes over 4,000 practitioners working to advance local energy efficiency and climate action in coordination with key state goals and agencies. RENs have become key players in delivering equitable energy efficiency benefits to ratepayers. Accordingly, the RENs committed to continue jointly funding California Climate and Energy Collaborative (CCEC) as a venue for local government engagement, with the support of Energy Division.

CCEC, through CivicWell, convenes the Annual California Climate & Energy Forum, which brings together local governments, state agencies, community organizations, utility and CCA PAs, and other key stakeholders to coordinate with each other, share best practices and support local leadership in climate action. CCEC also provides local governments and other stakeholders with access to resource libraries, technical assistance and other services to support local energy and climate initiatives.

In addition, the RENs established CalREN in 2022 as a coordination venue for REN PAs to share information, build on collective successes, and work together to streamline activities across RENs to increase their impact and improve the cost-effective use of rate-payer funds. To further streamline efficiencies, in 2025 RENs added their CalREN services to the CivicWell contract to enhance coordination and create additional cost savings. Starting in 2027 and for the Business Plan period, the CivicWell contract covering both CalREN and CCEC activities will be budgeted consistently by all REN PAs, with costs divided between the Administration (85-100%) and Marketing (0-15%) categories, as applicable.

G. COORDINATION PRACTICES

Potential overlap is identified through multiple mechanisms, including CPUC-directed processes (e.g., JCMs, OP 32 requirements), and as a standing agenda item during coordination meetings. If potential overlap is raised, 3C-REN conducts a comparison of eligibility criteria and other key program characteristics to determine whether any harmful overlap exists, similar to the process followed in the PAs' approved joint advice letter effort described below. Processes and timelines to resolve overlap vary by coordination venue.

1. Criteria defined by SoCalREN 20-E Advice Letter (D.23-06-055, OP 32)

In response to D.23-06-055 Ordering Paragraph 32, the PAs established a standardized methodology and data capture process to comply with the requirement to identify substantively similar programs and assess associated ratepayer risk.

The Commission-adopted Duplication Spectrum hierarchy consists of four cumulative levels:

Level 1 – Similar: Programs offered in the same sector, with the same delivery type and program segment, and in the same IOU service territory.

Level 2 – Program Overlap: For all segments, a subset of Similar programs with the same target audience and same IOU service territory.

Level 3 – Substantively Similar: Programs that meet the definition of Program Overlap and share the same characteristics across one or more of the following segments:

- Resource Acquisition: Same end use and measure(s)
- Market Support: Same demand, supply, partnership, innovation, and accessibility sub-objectives
- Equity: Same objectives related to addressing disparities in access, promoting resilience, health, safety, affordability, energy savings, GHG reduction, and

workforce opportunities

Level 4 – Program Duplication (Duplicative): Substantively Similar programs that do not have meaningful differentiators.

Because the four defined terms are cumulative, programs must first meet the Similar and Program Overlap criteria before being evaluated for Substantively Similar or Duplicative classification.

2. Processes to Identify Overlap and Timelines for Reaching Resolution

In 3C-REN's current coordination practices as detailed in previous sections, all PAs are encouraged to proactively bring topics regarding potential overlap to coordination venues for discussion and can flag potential overlap issues in draft coordination documents such as JCMs. Timelines for reaching resolution are set according to the type of coordination and venue.

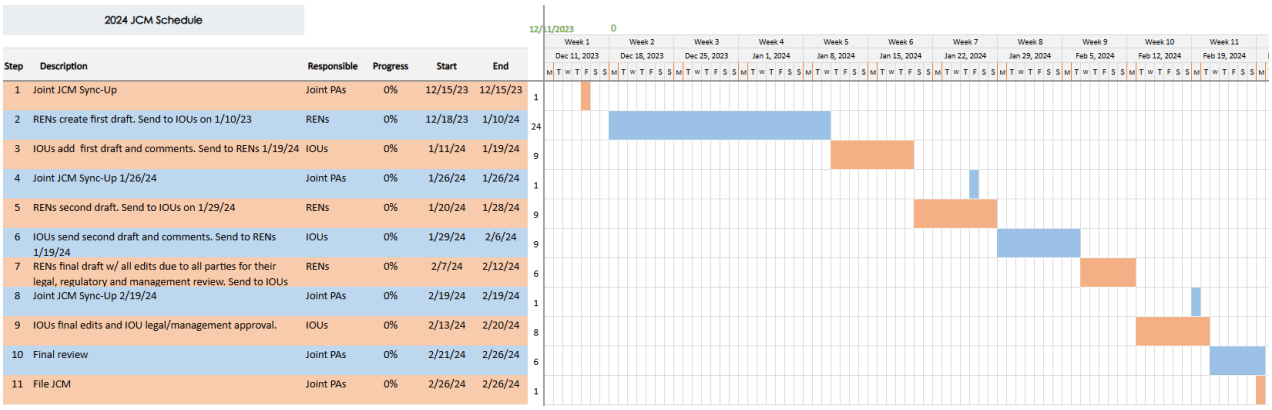
As described in the previous section, the JCM process follows a set schedule ordered by CPUC. Following TUAL or MCAL submittal, 3C-REN coordinates with the other PAs in its JCMs to begin initial preparations for the JCM process. After the final TUAL or MCAL approval is received for the group of PAs, 3C-REN develops a detailed schedule based on the JCM deadline according to decision guidance. A prior JCM schedule example is shown below.

The JCM schedule is intentionally designed to allow for multiple iterations of drafts and meetings so that there is ample time to explore and resolve any potential overlap issues. Any concerns regarding potential overlap are identified in draft JCM documents through written comments and are surfaced at meetings for resolution prior to the next draft milestone. At minimum, all overlap issues reach resolution among JCM parties prior to the final draft JCM moves on to legal review.

For overlap concerns raised during PASC and other ongoing coordination meetings, 3C-

REN aims to resolve these issues immediately during the meeting whenever possible to mitigate any current risk and reduce additional time and expenditure with back and forth outside meetings. 3C-REN has had success in identifying immediate solutions through open, collaborative discussions with other PAs. If necessary, 3C-REN schedules additional discussions one-on-one with the involved PA to discuss in further detail. A key element of PASC and other ongoing coordination meetings is the set agenda item to review previous action items, ensuring accountability for resolving overlap issues in a timely manner between meetings.

Figure 7-3: 3C-REN JCM Schedule Example



2024 JCM Schedule

Step	Description	Responsible	Progress	Start	End
1	Joint JCM Sync-Up	Joint PAs	0%	12/15/23	12/15/23
2	RENs create first draft. Send to IOUs on 1/10/23	RENs	0%	12/18/23	1/10/24
3	IOUs add first draft and comments. Send to RENs 1/19/24	IOUs	0%	1/11/24	1/19/24
4	Joint JCM Sync-Up 1/26/24	Joint PAs	0%	1/26/24	1/26/24
5	RENs second draft. Send to IOUs on 1/29/24	RENs	0%	1/20/24	1/28/24
6	IOUs send second draft and comments. Send to RENs 1/19/24	IOUs	0%	1/29/24	2/6/24
7	RENs final draft w/ all edits due to all parties for their legal, regulatory and management review. Send to IOUs	RENs	0%	2/7/24	2/12/24
8	Joint JCM Sync-Up 2/19/24	Joint PAs	0%	2/19/24	2/19/24
9	IOUs final edits and IOU legal/management approval.	IOUs	0%	2/13/24	2/20/24
10	Final review	Joint PAs	0%	2/21/24	2/26/24
11	File JCM	Joint PAs	0%	2/26/24	2/26/24

3. Options and Levers to Resolve and Prevent Overlap

3C-REN adheres to the mitigation strategies approved by CPUC as part of the OP 32 framework and advice letter:

- Cross-PA and sector coordination through JCM-defined protocols and recurring Multifamily coordination meetings;
- Ongoing data sharing and pipeline visibility discussions to promote marketing and implementation transparency;
- Customer education and coordinated outreach to reduce confusion in overlapping territories;

- Programmatic refinement, including review of implementation plans, decision trees, and eligibility criteria relative to similar programs.

Through the structured overlap review and mitigation process described here and the preceding sections, 3C-REN ensures compliance with D.23-06-055 while maintaining program complementarity, minimizing overlap risks, and maximizing positive outcomes for ratepayers—whether they are participants in 3C-REN programs or are referred to another PA in the region. These approaches support affordability from multiple perspectives, by helping ratepaying program participants leverage eligible funding sources that can be layered to enable energy efficiency projects to proceed, and by reducing duplicative services funded by all ratepayers.

H. COORDINATION WITH MARKET TRANSFORMATION

3C-REN coordinates with Market Transformation initiatives when relevant to its portfolio. 3C-REN has met with CalMTA in the past to determine where offerings align. While overall there is not much alignment with the current portfolio offerings, 3C-REN continues to monitor CalMTA activities for potential future alignment.

In 3C-REN's single-family and multifamily programs, projects leverage TECH Clean California and 3C-REN funding, with coordination facilitated by the program team. The single-family and commercial programs' concierge services also provide TECH's The Switch Is On, a contractor and incentive finder tool, as a resource to all participants. This coordination enables projects to combine available funding streams while maintaining clear program eligibility boundaries. 3C-REN's 2024 Annual Report details coordination with TECH to enable equity projects, with 49% of single family heat pump water heater projects leveraging TECH or 3CE stacked incentives, and 25% of all multifamily projects leveraging TECH and/or other non-

ratepayer braided funding.[105]

Through this project-level alignment and facilitated coordination, 3C-REN supports statewide market transformation objectives while ensuring that savings attribution and incentive delivery remain distinct and non-duplicative.

I. COORDINATION WITH ENERGY SAVINGS ASSISTANCE (ESA) PROGRAMS

ESA coordination occurs through JCM-defined coordination pathways and recurring sector meetings. In particular, quarterly Multifamily coordination calls provide a forum for sharing best practices, outreach strategies, and program updates (e.g., mailers and customer communications). These venues support alignment and reduce the potential for customer confusion in overlapping territories.

Clear segmentation by utility rate class, geographic focus, and program eligibility requirements further minimize the risk of serving the same customer through both ESA and 3C-REN programs. The Multifamily program has a referral process in place to ESA's Common Area and In-Unit Programs. The participant is provided a direct contact and the information for the program and is responsible for following up to ensure they meet ESA eligibility. The current ESA program is sunsetting in 2026, but the Multifamily program will continue to refer projects after the relaunch, where projects align with requirements and scope. It is important to note that currently ESA relies on enrolled contractors to do installations, which ideally would ease customer participation, however, there is a significant lack of ESA enrolled contractors in 3C-REN's region. With the relaunch, 3C-REN recommends an intentional effort to strengthen the workforce in 3C-REN's region to allow for more project referrals and program coordination.

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[105] 3C-REN 2024 Energy Efficiency Annual Report at 11 and 30. https://www.3c-ren.org/wp-content/uploads/2025/04/3C-REN_2024-Annual-Report.pdf.

J. COORDINATION WITH OTHER DEMAND SIDE PROGRAMS

Equitable building decarbonization efforts under 3C-REN are designed to complement broader regional and statewide demand-side programs and initiatives. Customers are informed of IOU and CCA demand response programs through the single-family and commercial program concierge services, where they are guided through all resources to enable them to make informed decisions as well as through awareness of regional initiatives such as 3C-BEACH (Tri-County Benefits of Electrification for Air Quality, Comfort, and Health). 3C-BEACH is a CEC-supported decarbonization initiative operating within the region that leverages the single-family HES program to deliver electrification-focused retrofit packages. Coordination occurs through structured information sharing, such as aligning customer-facing messaging and eligibility framing, sharing implementation learnings, and coordinating outreach approaches where appropriate to support consistent, complementary program design and avoid conflicting messages to customers. This alignment supports key building decarbonization benefits for households, including reduced onsite fossil fuel use and associated emissions, improved comfort and thermal stability, healthier indoor environments, and reduced energy burden when paired with targeted incentives and equitable delivery strategies. While CEC EBD Central round 1 efforts did not include any communities within the 3C-REN's region, 3C-REN has initiated meetings with the Center for Sustainable Energy and EarthAdvantage, implementers for CEC EBD Central, to propose areas of improvement in their selection criteria. 3C-REN looks forward to supporting implementation of CEC EBD Central funded projects in future rounds. While round 1 relied on DAC criteria from CalEnviroScreen and AMI data, 3C-REN supports an expansion of criteria to include other CPUC Underserved and HTR criteria to be more inclusive of the 3C-REN region.

CHAPTER 8
STAKEHOLDER ENGAGEMENT

3C-REN engages stakeholders on an ongoing basis to inform continuous improvements to programs to better serve tri-county communities, and 3C-REN also conducted specialized stakeholder outreach to directly inform this application. Stakeholder engagement is important to understand the region's challenges and determine how 3C-REN can best address barriers and fill gaps in service. By engaging local and regional stakeholders, 3C-REN received valuable insights that will help guide and design inclusive and impactful programs that reflect the region's needs and priorities.

3C-REN's territory varies geographically and covers a large area, with populated cities and rural, sparsely populated towns, which can make engagement challenging. 3C-REN has leveraged its three counties to build relationships with local jurisdictions, special districts, community members, workforce organizations, community-based organizations, agencies, and contractors. 3C-REN has strong ties throughout the region and its engagement process includes an ongoing feedback loop to continue improving its programs and better serve the region.

Below are some of the highlighted ongoing engagement efforts 3C-REN leads.

- 3C-REN actively engages partners, agencies, and organizations through its quarterly newsletter and regular program updates.
- 3C-REN regularly solicits feedback from training and forum event attendees to inform its continuous improvement process.
- 3C-REN has established a network of relationships with contractors in the region and invites them to trainings and events.
- 3C-REN collaborates with community partners such as contractor associations, workforce boards, trade schools, community-based organizations, universities, and more.

In addition to 3C-REN's ongoing engagement, 3C-REN and its consultants engaged stakeholders specifically for purposes of informing this application, to understand the various challenges and barriers they face, along with opportunities they foresee for energy efficiency initiatives in the region, and, when appropriate, program-specific feedback for 3C-REN's next phase. This engagement informed the development of the Business Plan and the programs for the 2028-2035 cycle.

In the Fall of 2025, the following engagement activities occurred:

- Conducted two general listening sessions with stakeholders, and one focused listening session with jurisdictional staff from Santa Barbara County, that asked what 3C-REN is doing well, where it can improve, and what opportunities it should explore.
- Sent out a general feedback survey to all stakeholders and contacts within the Tri-County Region that asked what 3C-REN is doing well, where it can improve, and what opportunities it should explore.
- Held a series of one-on-one stakeholder interviews focused on individual programs and the portfolio with stakeholders from a variety of industries and sectors.
- Held several staff program review workshops to understand program and portfolio strengths and areas for improvement or change.
- Incorporated program feedback at the Fall Codes & Standards Forum.

Audiences represented a range of interests and included:

- 3C-REN staff
- Local governments in the Tri-County Region
- Community-based organizations
- County workforce representatives

- County special districts
- Past program participants
- Prospective participants
- Contractors
- 3C-REN program implementers
- 3C-REN staff

Below is a table representing the key findings, including overall challenges and opportunities in energy efficiency to be considered in the development of future programs, program-specific findings, and how 3C-REN has incorporated input into this application and future planning.

Table 8-1. 3C-REN BPA Stakeholder Engagement

Item #	Sector	Stakeholder Input	3C-REN Response
Overall Feedback			
1	All	• **Increase Education & Awareness** o Increase general education on energy efficiency, highlighting what trainings or programs exist, including energy efficiency, technical training, rebates, incentives, or grants and where to find information. o Increase buy-in and recognition of 3C-REN programs and trainings through improved communication and storytelling, using real examples and statistics, and share impacts beyond energy. o Offer practical hands-on training at multiple locations and at sites frequented by contractors.	3C-REN will work to be a hub for energy efficiency in the region by offering energy efficiency education, promoting the benefits of upgrades, and increased education and outreach to program participants. 3C-REN will increase outreach to jurisdictions, schools, trade organizations, and other partners to build program awareness, using effective storytelling and data to encourage program uptake. 3C-REN will work to offer a larger variety of training types and delivery methods, including more hands-on, interactive trainings, and in-person trainings at construction sites and locations frequented by contractors.
2	All	• **Increase and Improve Outreach** o Publicize and promote case studies of completed projects to market benefits and attract new potential projects. o Create culturally appropriate outreach materials in multiple languages and formats, recognizing the different populations that are receiving outreach and trainings.	3C-REN will improve outreach materials to better market the benefits of energy efficiency upgrades and program participation, using real-world case studies and collected data and statistics about the impact of upgrades. 3C-REN will create improved outreach and training materials for different

Item #	Sector	Stakeholder Input	3C-REN Response
			types of audiences, including non-English speaking populations, low-income, contractors, and others. 3C-REN will continue to offer, and will improve, outreach and training materials in multiple formats, including in-person, printed, online, and on-demand.
3	All	• **Portfolio Cohesiveness** o Workforce training program should better connect with current incentive programs, create a pipeline for workforce development to program implementation, make programs more accessible and attractive to contractors, improve program effectiveness, and limit redundancies.	3C-REN will tailor workforce trainings and curriculum to align with current incentive program offerings.
4	All	• **Program Design Improvements** o Consider how solar can be incorporated into existing programs, through complimentary funding mechanisms, outreach, technical assistance, or other ways.	3C-REN designs its rebates to stack with other existing programs, such as the Solar for Multifamily Affordable Housing (SOMAH) program, and also partners with energy programs and organizations to offer information and resources related to solar, EV, and energy efficiency incentive programs. 3C-REN partnered with a non-profit contracting business that focuses on solar and heat pumps for their "Earn While You Learn" initiative to incentivize training and hands-on education among tradespeople. With the launch of IDSM-related activities across

Item #	Sector	Stakeholder Input	3C-REN Response
			the portfolio, 3C-REN may identify other areas responsive to this input as well.
5	All	• **Funding Inconsistencies and Uncertainties** o Changes in incentive amounts and availability affect program uptake and effectiveness. Contractors find it hard to keep track of incentive availability and requirements. o Up-front costs are a challenge for implementers, especially with changing incentive levels, and a huge burden for customers. o Explore point of sale rebates for contractors.	3C-REN will improve communication around funding availability and timelines to ensure contractors and implementers are aware of the expected availability. 3C-REN will engage in targeted outreach for contractors with materials distributed in person through trusted networks and locations. The recommendation regarding exploring point of sale rebates for contractors is an interesting suggestion that 3C-REN would need to further consider in the context of the overall statewide energy efficiency portfolio, to ensure complementarity and avoid harmful overlap with other PAs. Accordingly, this suggestion may need further examination at a future date, once the 2028-2031 portfolios of other PAs are known.
6	All	• **Funding Availability** o Explore grant funding opportunities for equitable electrification efforts.	3C-REN will continue to offer resources for energy efficiency project funding opportunities. 3C-REN will research grant funding opportunities other ways of ensuring

Item #	Sector	Stakeholder Input	3C-REN Response
			programs, trainings, and installations remain accessible and affordable.
7	All	• **Build Partnerships** o Build and improve on partnerships with key industry groups, schools, and colleges to expand awareness, workforce trainings, and program uptake. o Continue and expand coordination between the RENs to close gaps between program offerings and requirements.	3C-REN will continue developing relationships with key partners and will identify potential new partnerships that will help achieve program and portfolio goals. This includes coordination with other RENs, industry groups, and educational institutions.
8	All	• **Program Participation** o Increase number and quality of program participants and contractors to ensure program implementation is consistent. o Improve data reporting practices from 3rd party aggregators to address inconsistencies in reporting and customer interactions.	3C-REN will improve outreach to increase awareness of trainings and programs, especially among target audiences. 3C-REN will require data reporting from 3rd party aggregators through their contracts to ensure accurate and informational data and feedback is collected and acted upon.
9	All	• **Tracking Metrics and Data** o As programs grow, better collecting and reporting of data is key to understand program effectiveness, challenges, and areas for growth. o Improved reporting of data and metrics from partners and contractors is needed to understand program strengths and weaknesses, effectiveness. This should be included in contracts. o Outreach materials should include more data on benefits and successes, using collected metrics and data (i.e.,	3C-REN will improve data collecting methods and frequency on all programs, including requiring standardized data reporting from 3rd party aggregators. 3C-REN will continue to incorporate success and benefits metrics into outreach materials to effectively tell data-driven stories and case studies.

Item #	Sector	Stakeholder Input	3C-REN Response
		costs avoided through electrification, energy savings for a community).	
10	All	• **Program Participant Support** o Bring back concierge service o Provide education to program participants on upgrade benefits, technology and appliance maintenance, and energy use.	3C-REN currently offers concierge services through its commercial and residential programs that help potential program participants navigate the program and incentives and rebates available to participants. 3C-REN will update outreach and educational materials to include information on all parts of the upgrade process, including post-installation maintenance and care.
11	All	• **Support for Transportation Electrification** o Many agencies are moving towards electric vehicle fleets and are looking for trained technicians to install infrastructure, training opportunities and certifications for fleet staff, funding opportunities, and technical assistance.	Existing programs, such as the Central Coast Community Energy (3CE) program Electrify Your Ride and Electrify Your Fleet are aimed at residential, commercial, and public transportation electrification efforts. The CEC's REACH 2.0 program aims to increase equitable access to EV charging. With the launch of IDSM-related activities across the portfolio, 3C-REN may identify other areas responsive to this input as well.
Agricultural Sector			

Item #	Sector	Stakeholder Input	3C-REN Response
12	Agriculture	• The program should plan to identify lessons learned and integrate changes as more experience and data are gathered.	3C-REN will continue to collect data and identify program successes, lessons learned, and areas for change as it continues to be implemented.
13	Agriculture	• Increased outreach is needed to build awareness and interest in the program, especially through in-person events.	3C-REN staff will increase participation at in-person events and locations frequented by the target population for the program, to build trust, awareness, and interest in the program.
14	Agriculture	• Building partnerships is a key way to effectively utilize existing resources, knowledge, and programs in the region.	3C-REN will continue to attend events, utilize existing communication channels and identify potential new ones, to increase program awareness and identify potential partnership opportunities.
15	Agriculture	• Identify possible areas of program expansion, including well pump efficiency testing, water/energy nexus (connecting with water districts), post-harvest crop activities (packing houses, refrigeration, etc.).	3C-REN will research and assess possible areas of program expansion to better serve the target population, increase energy efficiency, lower costs for customers, and address all parts of the agricultural system.
Commercial Sector			
16	Commercial	• It is difficult to get small business owners' time and attention on energy efficiency matters; they have limited capacity and very small margins, participation requires very low or no-cost options.	3C-REN will improve outreach to better advertise program benefits through data-driven storytelling and more personalized messaging. 3C-REN

Item #	Sector	Stakeholder Input	3C-REN Response
			will increase incentive amounts for the commercial program.
17	Commercial	• More contractors are needed for this program, and only larger contractors with sales teams and admin staff can effectively work with this program.	3C-REN will evaluate the program to identify ways to improve contractor relationships and experience within the program. 3C-REN will utilize its expanded contractor database to identify additional contractors to partner with for program implementation.
18	Commercial	• Improved quality control process is needed to ensure effective and efficient program implementation.	3C-REN will improve data collection methods and project follow ups to ensure projects are implemented correctly, safely, efficiently, and effectively.
19	Commercial	• This program should consider having two pathways: NMEC and Direct Install.	3C-REN used direct install as a pathway in its prior Single Family Direct Install program (that program, TCR-001, is now closed but operated during 2020-2021) and did not identify enough energy savings to justify the continuation of that pathway. Based on that experience, 3C-REN would need to put more consideration into implementing another Direct Install pathway before adopting that program change.

Item #	Sector	Stakeholder Input	3C-REN Response
20	Commercial	• Stakeholders from Ventura County want to ensure that business upgrade rebate money is used in Ventura County; much of it has gone to hard-to-reach areas in Santa Babara and San Luis Obispo Counties in the past.	3C-REN will assess incentive and rebate money regional distribution to understand what areas and populations would benefit from increased outreach and allocations.
21	Commercial	• Business partnerships should be assessed to ensure they are both cost and time effective for staff.	3C-REN will review current partnerships and relationships to ensure they are beneficial and time effective, identify gaps in partnerships and room for growth, and identify potential new partnerships and relationships to develop.
22	Commercial	• Develop a new outreach approach to identify and secure new projects; past methods have not been effective. Contractor outreach is currently the most successful outreach method.	3C-REN will review its current business partnerships and networks to assess effectiveness and success in securing new projects and will consider identifying or joining additional business networks to help identify new projects and customers. 3C-REN will consider dedicating more of its outreach budget to supporting contractor outreach.
23	Commercial	• Expand contractor training through BPT and ECC programs.	3C-REN will assess and appropriately tailor its trainings and events to target commercial program contractors to increase the pool of available contractors, improve project installation consistency and quality,

Item #	Sector	Stakeholder Input	3C-REN Response
			and build a pipeline of workforce trainings to career pathways.
24	Commercial	• Expand and target outreach to the hospitality industry, through trainings and incentive program offerings.	3C-REN will assess its current outreach and program participation to identify industry gaps and room for growth and will appropriately create targeted outreach and training materials to attract specific industry customers and training and event participants.
Cross Cutting Sector			
Codes & Standards Subsector			
25	Cross Cutting: C&S	• Broaden reach code support offerings to include building performance standards support for jurisdictional staff.	Although not relevant for many of 3C-REN's jurisdictions, 3C-REN will consider offering building performance standard support through its ECC program as California considers developing a state-wide approach for this.
26	Cross Cutting: C&S	• State law compliance is a major focus for many jurisdictions; AB 802 assistance should be expanded to include businesses as well. • Explore offering technical assistance for AB 39 compliance.	3C-REN will consider broadening technical assistance support for additional state laws and expanding support into additional sectors to assist jurisdictions and businesses achieve and maintain compliance.
27	Cross Cutting: C&S	• The ECC program should focus growth on regions of the 3C-REN territory where Code Coach is not as well integrated.	3C-REN will assess the geographic reach of the Code Coach to identify gaps and areas for improvement and

Item #	Sector	Stakeholder Input	3C-REN Response
			will work to develop relationships and offer increased assistance in areas where it is not as well integrated or known.
28	Cross Cutting: C&S	• There is a sense that state code is not being enforced by jurisdictions, so contractors are not compliant in their construction and installation, leading to issues in the future.	3C-REN will continue to advertise and offer code trainings and events to a variety of audiences to ensure all parties required to work on an installation, from local government permitting departments to contractors, are aware of and adhere to code requirements.
29	Cross Cutting: C&S	• Improve resources on the upgrade installation process, such as key decisions points and considerations, to better educate residents and building professionals.	3C-REN will update its outreach and educational materials to better explain the process of upgrade projects. 3CREN will continue to provide technical assistance to help contractors and program participants with the process.
30	Cross Cutting: C&S	• Prioritize quality over quantity for events and trainings held; evaluate event/training efficacy and frequency to better serve audiences and utilize staff time and resources.	3C-REN will evaluate its training and event schedule and data to identify the most valuable, popular, and necessary trainings. 3CREN will also gather training feedback from participants on training locations, times, and frequencies to develop an improved schedule that better serves specific audiences and is an effective use of staff time and resources.

Item #	Sector	Stakeholder Input	3C-REN Response
Workforce Education & Training Subsector			
31	Cross Cutting: WE&T	• Connect with firms, universities, trade schools, small businesses, and unions, both within and outside of the 3C-REN region, to expand and align career pathways, training offerings, and curriculum.	3C-REN will continue to partner with, and will explore and pursue new partnerships with, key institutions, firms, and business networks to build workforce pathways to careers, training collaborations, and improved and updated curriculum that targets those entering or considering entering the workforce and those looking to upskill and continue learning.
32	Cross Cutting: WE&T	• Create more connections to employers, i.e., partnering with employers to subsidize first month of new hire training, if they complete required 3C-REN training.	3C-REN will work to develop an incentivization and certification program or pathway for employers to ensure trainings are valuable and profitable for employers and employees.
33	Cross Cutting: WE&T	• Utilize connections with jurisdictions and other partners to increase contractor awareness and participation in trainings, as many have their own contractor list.	Through its development and maintenance of a robust network of partners in the public and private sectors, 3C-REN will improve and build its contractor database. This will both increase participation in trainings and events but will also increase contractor eligibility in program participation and project installation.

Item #	Sector	Stakeholder Input	3C-REN Response
34	Cross Cutting: WE&T	• Tailor messaging to effectively reach audiences. o Promote trainings regionally to lift up the local workforce. o Create case studies of professionals who have gone through the BPT programming and have careers shaped by EE work.	3C-REN will assess its training schedule to ensure all parts of the region receive regular and accessible trainings and will promote its online training schedule and on-demand resource library. 3C-REN will solicit and create case studies of BPT participants to increase awareness and interest in the program.
35	Cross Cutting: WE&T	• Increase virtual trainings and meetings to reach participants in the whole Tri-County region. Increase digital access to resources as well.	3C-REN will continue to offer, and will improve, outreach and training materials in multiple formats, including in-person, printed, online, and on-demand.
36	Cross Cutting: WE&T	• Maintenance of energy efficient appliances, equipment, and technology is a gap in knowledge for many landlords and property managers. The program offerings from the BPT program should be aligned with the multifamily program to close that gap.	3C-REN will update its trainings to include information on appliance maintenance for multifamily buildings for participants in the BPT program.
37	Cross Cutting: WE&T	• Offer or host training on solar technologies, including sizing, load calculations, and best practices.	3C-REN will consider this within the context of its IDSM educational offerings, which would combine EE + other DERs in accordance with CPUC IDSM guidance.
38	Cross Cutting: WE&T	• Completing incentive and rebate paperwork is a major administrative burden for many contractors; simplifying this would allow them to participate in more programs and ensure they are not wasting time.	3C-REN will consider having staff act as a designated applicant or authorized agent to help relieve the administrative burden for participants and contractors.

Item #	Sector	Stakeholder Input	3C-REN Response
			3C-REN will assess and improve its technical assistance offerings and capabilities to ensure they align with customer and contractor needs.
39	Cross Cutting: WE&T	• Finding time and budget for frequent training for contractors and instructors is difficult; offering participation incentives can make a difference in attendance.	3C-REN will work to develop an incentivization and certification program or pathway for employers to ensure training is valuable and profitable for both employers and employees. 3C-REN will continue to make trainings attractive and convenient, such as providing breakfast options for early morning trainings.
40	Cross Cutting: WE&T	• Offer enduring opportunities for mentorship and career progression among contractors and others. • Start a beginner or more basic program training pathway, accessible to equity-focused groups, young adults, and other building professionals	3C-REN will evaluate its training options and will create training pathways that are aimed at participants of varying experience levels and ages, especially focusing on those entering the workforce. 3C-REN will conduct outreach to its partners and contacts to consider developing a mentorship program to encourage career progression among contractors.
Commercial & Public Facilities Subsector			
41	Cross Cutting: Commercial &	• Explore other candidates for audits and lighter-touch audits that are less costly than comprehensive audits.	3C-REN will review its criteria for program participants to understand where the program can be modified and

Item #	Sector	Stakeholder Input	3C-REN Response
	Public Facilities		expanded to different types of participants and audits.
42	Cross Cutting: Commercial & Public Facilities	• Improve outreach methods and program efficacy through targeted outreach, increased focus of services and lighter-touch audits.	3C-REN will evaluate its outreach methods for this program to identify gaps and areas for improvement and expansion. It will better focus its outreach methods to explain program benefits through data-driven storytelling and statistics.
43	Cross Cutting: Commercial & Public Facilities	• Coordinate with other PAs to identify facilities that are the best fit for audit programs.	3C-REN will continue to lead coordination with other PAs across the region in order to create and prioritize a list of eligible facilities that would most benefit from the audit program.
44	Cross Cutting: Commercial & Public Facilities	• Create a program life cycle for auditees with touchpoints to check back in on implementation progress annually.	3C-REN will improve its data and reporting practices by adding participant touchpoints to the multiple parts of the project development and implementation process, including post-project check-ins. 3C-REN will create comprehensive outreach and education materials that address all parts of a program (start to finish, and after) to ensure participants are aware of what to expect through the project process.

Item #	Sector	Stakeholder Input	3C-REN Response
45	Cross Cutting: Commercial & Public Facilities	• Align technical assistance offerings with Central Coast Climate Collaborative Resilience Hub Accelerator program and upcoming funding opportunities	3C-REN will continue to closely coordinate with the Central Coast Climate Collaborative and CCR REN to ensure efforts to establish resilience are consistent and complementary to other offerings across the region.
Residential Sector			
46	Residential	• Research and consider other innovative ways to fund projects, such as a bridge fund for contractors to cover costs while waiting for incentives, and a zero-interest revolving loan fund.	3C-REN currently coordinates with IOU OBF programs and GoGreen Financing to ensure projects remain affordable and feasible for potential program participants. 3C-REN will research additional ways to increase, offer, and stack funds for projects, such as loans, grants, and bridge funds to cover gaps in incentive funding availability.
47	Residential	• Manufactured homes are a gap that haven't been able to access incentives; consider treating them as multifamily buildings with rebates, or like commercial buildings with multiple tenants.	3C-REN currently incentivizes, and plans to continue to incentivize, manufactured and mobile home projects in single-family Home Energy Services.
48	Residential	• Address the gap in energy efficiency offerings for renters through free access to plug in appliances or window heat pump units.	3C-REN will continue to identify gaps in program eligibility and uptake through data collection. 3C-REN will evaluate creating additional options for populations that aren't reached by existing programs,

Item #	Sector	Stakeholder Input	3C-REN Response
			such as the existing Green Appliance Giveaway program that offers plug-in appliances to renters and those unable to install permanent construction in their residence.
49	Residential	• Many residents and homeowners do not know of or understand the benefits of energy efficiency upgrades, or know how to care for appliances after installation. Improved materials explaining benefits and proper care should be developed.	3C-REN will create improved outreach and educational materials that better market the benefits of energy efficiency upgrades and program participation, the program process, and maintenance after installation. 3C-REN will continue to attend community events, such as resource fairs, Earth Day celebrations and library programs.
50	Residential	• Add additional tiers to incentivize multi-measure or whole-home electrification projects.	3C-REN will research ways to improve and expand the residential programs to increase access, participation, and assistance.
51	Residential	• Provide incentives directly to homeowners, instead of through contractor incentives.	3C-REN will continue to partner and coordinate with other regional energy organizations, such as Santa Barbara Clean Energy, that do offer incentives directly to homeowners to coordinate on best practices and lessons learned.
52	Residential	• Allow electrical panel upgrades for older buildings, to enable more electric appliances and units.	3C-REN will continue to offer referrals to CCA programs that do offer electrical upgrades, such as Santa Barbara Clean Energy and 3CE. 3C-REN will also research ways to expand

Item #	Sector	Stakeholder Input	3C-REN Response
			eligibility to the residential program and ensure that the full building stock the region is able to receive upgrades and improvements, making them safer, more energy efficient, and cost effective for residents.
53	Residential	• Explore possibility of community- or neighborhood-wide efficiency upgrades to increase uptake and awareness of EE programs.	3C-REN will research ways to increase uptake and awareness of its programs, including innovative installation methods such as community-wide projects.
54	Residential	• Explore creating a regional standard for home performance that goes beyond state code.	3C-REN will consider whether there are ways the ECC program could explore this suggestion.
55	Residential	• Building trust with residents to understand and want the upgrades has been a challenge and requires effective outreach and communication.	3C-REN will increase targeted outreach to underserved populations to increase program awareness and interest. It will work with trusted partners and implementers to build relationships with communities to ensure they understand the benefits and process of upgrade installation.
56	Residential	• This program should consider having two pathways: NMEC/whole house and deep equity.	Both 3C-REN residential programs are equity programs and incorporate holistic approaches to encourage deep savings and comprehensive projects. The SF HES program uses NMEC for calculating savings, so nearly any energy-saving measure could be

Item #	Sector	Stakeholder Input	3C-REN Response
			considered for implementation, which enables deeper impacts by including a variety of measures and both to-code and above-code savings. The MHES program is a deemed savings-based program but utilizes a whole building approach in which nearly any energy saving measure with an approved workpaper could be eligible. The program requires projects to include multiple measures and meet a threshold of GHG reductions and by doing so, encourages deeper and more comprehensive projects benefitting property owners and tenants alike.
57	Residential	• Increase direct engagement between contractors and 3C-REN staff to improve communication, coordination, and program effectiveness.	3C-REN will work to improve relationships and trust with contractors by seeking out increased opportunities for direct contact with contractors at trainings, construction sites, and supply houses. They will also work on improving outreach methods and locations of trainings, utilizing trusted contacts to relay information, and demonstrating the value and benefit of 3C-REN programs and trainings.

Item #	Sector	Stakeholder Input	3C-REN Response
58	Residential	• Align with BPT program to develop trainings for enrolled contractors, and offer on-call technical support for contractors.	3C-REN will work to align the BPT and residential programs to ensure trainings and events are relevant, attract new participants, and are tailored to participants in both programs. They will work to create trainings for a variety of experience levels, including enrolled contractors. 3C-REN will continue offering its concierge services, including on-call technical assistance for enrolled contractors to ask high-performance building experts about their projects, as well as its "ask the expert" office hours style series. and will consider developing more robust technical assistance programs for contractors.
59	Residential	• Increase incentive levels and raise rebates to enable more projects, especially for multifamily properties.	3C-REN will review its current budgets and incentive levels for each program and make changes as appropriate.

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CHAPTER 9
EVALUATION, MEASUREMENT & VERIFICATION

A. PLANNED EM&V STUDIES AND ACTIVITIES

For program years 2028 and beyond, 3C-REN will continue to work with the CPUC to give input on CPUC EM&V Roadmap development and will participate in CPUC EM&V studies and working groups. 3C-REN will supplement this work through its own EM&V budget to conduct evaluation studies and activities, as aligned with other CPUC and IOU activities to ensure the greatest benefits are achieved from any new studies. 3C-REN EM&V studies may include but are not necessarily limited to those described here.

3C-REN-led EM&V efforts will further characterize the Tri-County Region's small/medium-sized business market, to support customer segmentation of this hard-to-reach market. To optimize program outcomes, 3C-REN also proposes to study participation rates among public sector customers in the region and examine equity challenges and barriers faced by smaller producers and socially disadvantaged agricultural customers.

As part of its broader commitment to continuous improvement and evidence-based program design, 3C-REN has already undertaken evaluation activities for its Single-Family HES Program through a participant survey conducted under program EM&V. The study was designed to assess participant experience and satisfaction, better understand how customers learn about and move through the program, and identify opportunities to strengthen program delivery over time. Findings from survey responses across the tri-county region indicated high overall participant satisfaction, strong satisfaction with installed equipment, and a high likelihood to recommend the program. The study also highlighted the central role of contractors in participant awareness and navigation, as well as the importance of clear communication regarding incentives, timelines, and program expectations. Together, these findings provided meaningful insight into participant

experience and program implementation performance.

This prior EM&V effort demonstrates 3C-REN's capacity to use evaluation as a practical tool for refining program strategy and supporting long-term portfolio objectives. The findings help identify where program delivery is working well and where targeted improvements can strengthen customer understanding, reduce participation barriers, and improve consistency across a diverse service territory that includes rural, HTR, and underserved communities. In the context of future 4-year and 8-year planning, this type of evaluation provides a foundation for more comprehensive EM&V activities that assess whether program outcomes are aligning with stated participation, equity, workforce, and market development objectives over time. It also illustrates 3C-REN's established practice of incorporating participant-centered feedback into program evolution, which will remain important as future studies are used to inform program design, outreach strategies, and contractor engagement approaches across the portfolio.

Portfolio-wide studies will evaluate whether cross-segment workforce investments are effectively supporting participation and market development objectives identified in the 4- and 8-year plans. This includes assessing whether WE&T, including BPT, is successfully increasing contractor participation in equity and market support programs. Evaluation efforts will examine conversion rates from training participation to program participation, identify barriers preventing trained contractors from meeting program entry requirements, and assess whether additional certifications or tailored training pathways are needed to better align local workforce capacity with program needs. These studies will help determine whether workforce investments are sufficiently advancing measure adoption, participation among priority customer groups, and long-term market transformation goals.

As the BPT program explores a job placement component, EM&V activities will evaluate

employment outcomes and their connection to portfolio performance. This includes tracking job placement rates, retention within the regional energy efficiency market, and the extent to which placed participants support contractor capacity serving equity-target customers. The evaluation will assess whether workforce investments are generating measurable portfolio-level outcomes that align with participation, engagement, and market support objectives.

An additional portfolio-wide study will evaluate whether BPT participants who enter 3C-REN equity-focused programs (single-family, multifamily, and commercial) as contractors are successfully integrating into and sustaining participation within those programs. The study will assess contractor onboarding rates, time to first project, project completion rates, measure adoption patterns, and retention over time. It will also evaluate whether BPT participants experience comparable or improved performance outcomes relative to non-BPT contractors, including participation in priority customer segments and successful delivery of equity-target projects. This evaluation will determine whether workforce investments are effectively translating into increased contractor capacity, improved program delivery, and sustained engagement in equity programs, consistent with long-term market support and participation objectives identified in the 4- and 8-year plans.

B. EM&V BUDGET ALLOCATION

3C-REN has budgeted $4,186,785 for EM&V activities over the 2028-31 portfolio cycle, allotting $1,151,366 for 3C-REN-led activities, with the remaining $3,035,419 being allotted to ED. This funding will support a range of EM&V activities as described in Section A of this chapter, including impact and process evaluations, data analysis and other activities to assess the effectiveness of portfolio programs. The total EM&V allocation represents 4% of the overall portfolio budget, in line with the guidelines set by CPUC that govern EM&V funding levels.

CHAPTER 10
COST & COST RECOVERY (IOUS ONLY)

Intentionally omitted as this section applies to IOUs only and 3C-REN is not an IOU.

CHAPTER 11
RECOMMENDATIONS FOR NEW OR MODIFIED EE POLICY

A. CODES AND STANDARDS SAVINGS

1. Summary

Under the Commission's current EE policy framework, C&S programs work in tandem with other EE programs to create energy savings. Where C&S advocacy seeks to strengthen California's EE compliance requirements and improve compliance, thereby generating potential energy savings, more traditional EE programming follows through to ensure that those savings are actually realized.

As the Commission considers portfolio adjustments and potential shifts toward greater reliance on statewide C&S programming, it is appropriate to reassess whether C&S programs remain appropriately balanced with non-C&S programs, whether projected C&S savings are being realized at assumed levels, whether current cost-effectiveness methodologies reflect actual compliance rates, and whether REN implementation activities are adequately recognized in the savings framework.

Absent such review, excessive reliance on forecasted C&S savings creates the risk that projected C&S savings may not materialize, which has compounding implications for ratepayer value, targeted emissions reductions, and resource planning. Moreover, excessive dependence on C&S programming risks intensifying EE advancements in an inequitable manner, undermining Commission and statewide equity goals.

2. Policy background

C&S programs are a distinct segment under the EE portfolio, and generally have the following primary purposes:[106]

- Influencing standards and code-setting bodies (such as the CEC) to strengthen energy efficiency regulations;
- Improving compliance with existing codes and standards;
- Assisting local governments to develop ordinances that exceed statewide minimum requirements; and
- Coordinating with the other programs and entities to support the state's policy goals.

All PA types are eligible to administer C&S programs, and C&S programming exists within both regional and statewide portfolios. IOUs primarily support statewide advocacy, technical analysis, and development of updated codes and standards. By contrast, RENs focus on local implementation, compliance support, and workforce training that ensures adopted standards translate into realized, on-the-ground savings.[107] IOU statewide C&S programs make up the majority of C&S programming across the statewide EE portfolio.

The forecasted energy savings associated with statewide C&S programs represent an important aspect of the Commission's Potential and Goals (P&G) process. The P&G process is the primary mechanism by which the Commission identifies "all potentially achievable cost-effective electricity and natural gas efficiency savings" and establishes efficiency targets pursuant to its Cal. Pub. Util. Code Sections 454.55 and 44.56 resource planning obligations. Through this

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[106] D.23-06-055 at 13-14.

[107] 2025-2026 Central Coast Joint Cooperation Memorandum, CCR REN, 3C-REN, and PG&E (Nov. 4, 2025) at 34-38, www.caeecc.org/_files/ugd/849f65_1b0185e68e9a4f7490c0b7c53fb7e0f8.pdf (describing coordination of C&S activities).

process, the Commission sets IOU non-C&S portfolio goals expressed in TSB, as well as IOU C&S energy savings goals, expressed in electric energy (GWh), demand (MW), and gas energy (MMTherms).[108] These projected TSB metrics and C&S energy savings goals, in turn, inform various resource planning processes, such as the Commission's assessment of integrated resource plans and the CEC's demand forecast. To date, the Commission has generally assumed that statewide C&S programs deliver high energy savings.

Beyond resource planning, the relationship between C&S and non-C&S programming with regard to forecasted savings has important implications on the Commission's EE cost-effectiveness analyses. This is because the Commission's current cost-effectiveness framework authorizes PAs to count "to-code" savings for C&S programs, but only permits PAs to count the "above-code" savings for non-C&S programs.[109] In other words, even when a building is entirely out of compliance with current codes and standards, EE programs in other segments (Equity, Market Support and Resource Acquisition) are unable to count the energy savings they deliver in bringing the building "to-code." This dynamic has historically enabled C&S programs to achieve TRC values above and beyond other resource programs. Recognizing this imbalance, the Commission requires PAs subject to cost-effectiveness requirements to report Resource Acquisition segment TRC values without including C&S programs.[110]

3. Current situation

SDG&E's recent application to discontinue its regional EE program portfolio has elucidated the looming risk of overreliance on forecasted savings from statewide C&S programs.

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[108] D.25-08-034 at 19.

[109] *See, e.g.*, A.25-04-014, BAY/TCR-01, *Direct Testimony of Steven Moss on behalf of Bay Area Regional Energy Network and Tri-County Regional Energy Network* (Jan. 15, 2026) at 3:13-14.

[110] D.21-05-031 at 21-22.

Consideration of this risk is particularly pertinent at this time, as the CEC's recent *California Energy Code Compliance Gap Analysis* found materially lower rates of C&S compliance as compared to the Commission's P&G assumptions; the CEC estimates a compliance rate of only 10-30% for existing buildings.[111] What this means for EE programs is that the Commission's current assumptions very likely overvalue statewide C&S savings (because compliance rates do not match high savings forecasts and high TRC performance) and undervalue non-C&S savings (because actualized savings achieved to bring buildings "to-code" are not counted).

This imbalance creates reverberating impacts throughout the Commission, the CEC, the California Independent System Operator, and the IOUs' procurement/generation, transmission, and distribution planning processes, particularly as EE is a priority resource for IOU procurement. Overreliance on statewide C&S can further result in a situation where some customers are left "stranded," unable or unwilling to come up to code, and ineligible for Commission-funded programs, which generally go only to above code measures.

Finally, at a much broader level, the reality that EE programs in segments other than C&S are unable to count the energy savings they deliver in bringing aging and inefficient infrastructure and equipment up to code is contrary to Legislative mandate in AB 802 (Williams, 2015). Assembly Bill 802 directed the Commission to authorize energy efficiency programs that count *all* energy savings relative to existing building conditions, including both savings achieved through bringing buildings into compliance with Title 24 standards *and* savings achieved in exceeding such standards.[112] This is particularly concerning in the context of the Equity segment, where building

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[111] CEC Docket 24-BDST-05, *California Energy Code Compliance Gap Analysis* (July 29, 2025), *available at*: GetDocument.aspx; CEC Docket 24-BDST-05, "2025 Energy Code Compliance Initiatives Staff Workshop 2 Slides" (slides dated Dec. 18, 2024; docketed January 27, 2025) ("CEC Docket 24-BDST-05 Staff Workshop Slides") at slide 13. https://efiling.energy.ca.gov/GetDocument.aspx?tn=261312&DocumentContentId=97689.

[112] AB 802, § 6; Cal. Pub. Util. Code § 381.2(b).

stock is older and far more likely to be non-compliant with code. Real energy savings are being achieved in PAs' programs in these segments, and such substantial savings should be recognized in the context of setting EE goals, evaluating cost-effectiveness, and assessing program performance.

4. Recommendation

To address this potential imbalance, 3C-REN recommends that the Commission take five specific steps:

First, the Commission should ensure that EE portfolios maintain an appropriate balance among Resource Acquisition programs with measurable savings; statewide C&S market transformation efforts; and local implementation and compliance support activities. Resource Acquisition programs are vital because they provide the immediate, verifiable energy savings and carbon reductions necessary to meet state climate goals and maintain grid reliability. Similarly, local implementation and compliance support activities are essential to realization of projected C&S savings. In short, statewide C&S programming should complement—not replace—other EE programs.

Second, the Commission should direct an evaluation of actual compliance rates relative to modeled assumptions, variability across regions and building types, and the extent to which local support programs increase realized savings ***before*** authorizing IOUs to increase reliance on statewide C&S programs to deliver on their goals. Such an evaluation is necessary to inform whether forecast-based methodologies should be adjusted to reflect real-world compliance conditions, and to mitigate the risks of unmaterialized energy savings across the various resource planning venues.

Third, the Commission should review whether current cost-effectiveness and avoided cost methodologies appropriately account for variability in compliance, local implementation costs, and the role of RENs in ensuring actual savings realization. In particular, methodologies that assume full C&S compliance without incorporating implementation risk may no longer reflect market realities.

Fourth, if the Commission authorizes a greater emphasis on statewide C&S programming, it should authorize a commensurate increased emphasis on RENs' localized implementation support activities. RENs, including 3C-REN, are uniquely positioned to ensure that adopted codes result in actual energy savings through local government partnerships, workforce training, technical assistance for builders and plan reviewers, and regional coordination with industry stakeholders. These activities mitigate the risk that projected C&S savings remain theoretical rather than realized, translating statewide C&S savings forecasts into measurable energy savings.

Finally, the Commission should reexamine and address through the lens of the statutory language and purpose of AB 802 the broader policy context in which energy savings achieved through measures and programs that bring existing buildings into compliance with Title 24 are not being recognized and counted in segments other than C&S. *All* actual energy savings being achieved in the Equity, Market Support and Resource Acquisition segments should be valued and recognized, not just above-code savings, consistent with Public Utilities Code § 381.2(b).

B. EQUITY PRINCIPLES FOR COST EFFECTIVENESS

1. Summary

The Commission authorized RENs not to mirror the IOU portfolio model, but rather, to fill gaps, serve HTR markets, and pilot innovative approaches that may not fit within traditional IOU Resource Acquisition structures. In practice, prioritizing equity customers, including DAC, underserved, and HTR communities, often requires deeper engagement, higher per-project

investment, workforce capacity-building, and market development activities. These program characteristics common among REN portfolios often do not immediately optimize traditional cost-effectiveness ratios, particularly when evaluated through utility-avoided-cost frameworks.

In recognition of RENs' unique and limited role in serving these markets, the Commission has declined to impose threshold Total Resource Cost (TRC) cost-effectiveness requirements upon REN portfolios. However, the Commission's current EE policy framework lacks specific, formalized processes by which it applies and weighs other metrics in evaluating REN portfolio performance. As a result, while not required to meet minimum cost-effectiveness values, REN portfolios are frequently scrutinized by EE stakeholders primarily through traditional cost-effectiveness metrics such as TSB, TRC, Program Administrator Cost (PAC), and Ratepayer Impact Measure (RIM) test. These analyses fail to convey actual REN portfolio performance, taking into account the unique value REN portfolios deliver and the particular, equity-driven activities RENs pursue.

In placing an emphasis on REN portfolio evaluation through the lens of traditional cost-effectiveness metrics, the Commission risks misalignment with its ESJ and legislative equity objectives. Cost-effectiveness remains an important consideration, but it should not function as the primary or most heavily-weighted metric for evaluating REN portfolios that were expressly designed to advance equity, decarbonization access, and localized market transformation. Accordingly, 3C-REN recommends that the Commission:

- Formalize processes to apply Equity and Market Support (EMS) indicators, including non-energy benefits (NEBs) and social costs, and awareness, knowledge, attitude, and behavior (AKAB) metrics, as complementary evaluation tools for REN portfolios that carry meaningful weight as compared to traditional cost-effectiveness metrics;

- Establish a defined stabilization period for newly implemented EMS metrics before attaching heightened accountability thresholds; and
- Continue refining the Avoided Cost Calculator (ACC) to incorporate greater regional granularity and, where feasible, enhanced recognition of localized avoided costs and public benefits.

2. Policy background

Broadly speaking, the Commission uses cost effectiveness analyses to measure the performance of PAs' portfolios and to ensure that public purpose funds are responsibly allocated.[113] Historically, the traditional cost-effectiveness analyses the Commission has employed include the TRC, the PAC, and the RIM tests. The TRC, which is the Commission's primary measure of cost-effectiveness, nets total program costs to the utility and participants against benefits in the form of avoided supply-side investments (derived from theACC).[114] The PAC test utilizes the same measure of program benefits as the TRC, but compares those benefits against costs incurred by the PA and excludes costs incurred by participating customers.[115] The RIM test similarly considers benefits in the form of avoided supply-side investments, but considered program costs "incurred by the utility, *and/or other entities incurring costs and creating or administering the program,* the incentives paid to the participant, decreased revenues for any periods in which load has been decreased and increased supply costs for any periods when load

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[113] CPUC EE Policy Manual at Section IV. https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/energy-efficiency/eepolicymanualrevised-march-20-2020-b.pdf.

[114] EE Policy Manual at Section IV.

[115] *Id*.

has been increased."[116] The Commission uses the PAC and RIM tests as supplementary metrics of cost-effectiveness, alongside the TRC.[117]

More recently, the Commission has adjusted its application of cost-effectiveness analyses to align with its portfolio segmentation guidance. Whereas the Commission continues to apply a threshold TRC requirement to non-REN PAs' Resource Acquisition segments, it does not apply cost-effectiveness requirements any PAs' Equity or Market Support segments.[118] In the absence of strict cost-effectiveness limitations, the Commission looks to segment-specific metrics and indicators to assess Equity and Market support segment performance.[119] Consideration of these metrics and indicators is important to capture elements of portfolio performance that cannot be captured by the traditional cost-effectiveness tests. Indeed, the Commission has previously explained that:[120]

> "while a TRC ratio appropriately compares the benefits and costs of a program targeted primarily at delivering grid benefits, it may not be the most appropriate tool for judging whether energy efficiency funding was prudently spent on programs which support equity or market support goals. The benefits delivered by these types of programs are not assessed using the CET or ACC, and therefore other methods are necessary."

Importantly, because REN portfolios are more likely to have a greater share of their portfolio devoted to Market Support and/or Equity programs, the Commission does not apply TRC cost-effectiveness requirements upon any portion of the RENs' portfolios.[121] In exempting RENs from minimum cost-effectiveness thresholds, the Commission reasoned:[122]

> "With our renewed emphasis that RENs should focus on filling gaps, piloting different or unique approaches that have potential to scale, and/or targeting hard-

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116 California Standard Practice Manual at 13.
117 EE Policy Manual at Section IV.
118 *See* D.21-05-031 at 21-23.
119 *See* D.23-06-055 at 60-65; Resolution E-5351; D.21-05-031 at 23.
120 D.21-05-031 at 14.
121 *See, e.g.*, D.21-05-031 at 22-23; *see also* D.18-05-041 at 95; *see also* D.19-12-021 at 37.
122 D.18-05-041 at 95.

> to-reach customers, we do not find it reasonable to impose a minimum cost-effectiveness threshold for REN proposals. As we have maintained in the past, the more limited scope of activities we authorize RENs to undertake, which results in a much lower ability to diversify their portfolios (relative to the IOUs), argues against holding them to a particular cost-effectiveness standard."

The Commission instead evaluates REN portfolio performance based on the segment-specific metrics and indicators, as well as progress towards their own goals in the form of TSB.[123] TSB is "an expression, in dollar terms, of the lifecycle energy, capacity, and GHG benefits, expressed on an annual basis."[124] Notwithstanding the REN exemption from cost-effectiveness screening, all PAs, including RENs, continue to report the results of the TRC, PAC, and RIM tests as applied to their portfolios through their required reporting processes.

3. Current situation

While the Commission's shift towards a more holistic evaluation of portfolio performance represents a critical step in more accurately assessing systemwide costs and benefits, it has not formalized a process by which metrics and indicators are evaluated and weighed. Instead, the Commission has simply provided that it "will evaluate those metrics when deciding whether to approve the portfolio proposals from all administrators."[125] As a result, stakeholders face ambiguity as to the specifics of how REN portfolio performance is assessed.

This ambiguity has created a challenge for RENs, which have faced consistent criticism regarding lower TRC and TSB values portfolio-wide than IOU or CCA PAs. However, these criticisms are misguided in that they fail to account for the fundamental and distinct nature of REN portfolios, which are restricted to activities IOUs cannot or do not intend to undertake, serving HTR markets and heavily emphasize Equity and Market Support programming.

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123 *See, e.g.*, D.21-05-031 at 9, 22-23.
124 *Id*. at 9.
125 *Id*. at 23.

In numerous proceedings and fora, it has been recognized that the current EE cost-effectiveness tests ineffectively address the needs and challenges of the Equity segment, DACs, underserved and HTR customers. For example, in the recent comment cycle in R.25-04-010 regarding the Energy Division's proposed Viable Electric Alternatives proposal, numerous parties critiqued the TRC and advocated for the use of alternative tests that address NEBs and NEIs to more adequately evaluate energy efficiency measures in such sectors.[126] The Commission has similarly expressly that "[Market Support and Equity] programs serve an important function, but because of their high costs, tend to weigh down portfolio-level cost-effectiveness calculations."[127]

Often, the high costs associated with these programs arise from intentionally targeting customers who:

- Require deeper technical assistance;
- Have limited capital access;
- Face language or informational barriers; and
- Live in regions with higher installation costs or workforce constraints.

The higher delivery costs and corresponding lower cost-effectiveness values in these contexts reflect structural barriers, not inefficiency. Absent a more formalized process tailored to assess REN portfolio performance, the Commission risks undervaluing important REN contributions such as customer affordability, public health improvements, or regional infrastructure avoidance, and denying program proposals that deliver tangible benefits to communities in line with Commission and state equity objectives.

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[126] *See, e.g.*, R.25-04-010, *Bay Area Regional Energy Network, San Diego Regional Energy Network, Southern California Regional Energy Network and Tri-County Regional Energy Network Comments on Staff Proposal* (Jan. 13, 2026) at 4-9.

[127] D.21-05-031 at 11.

4. Recommendation

To address these challenges, the Commission should formally elevate EMS indicators, including non-energy benefits (NEBs) and awareness, knowledge, attitude, and behavior (AKAB) metrics, as complementary evaluation tools for REN portfolios. The CEC's Order Instituting Informational Proceeding on Non-energy Benefits and Social Costs (Docket No. 24-OIIP-03). is currently attempting to more comprehensively assess costs and benefits of DERs and energy efficiency with a focus on equity. Once a methodology and values for such impacts are adopted in that docket, the Commission should integrate these outcomes into its EE cost-effectiveness framework through additional or revised Equity and Market Support metrics and indicators. The Commission should provide specific guidance as to its application of metrics and indictors in assessing REN portfolio performance, and importantly, should afford these metrics meaningful weight as compared to more traditional measures of cost-effectiveness.

In implementing this recommendation, it is important that the Commission establish a defined stabilization period for newly implemented EMS metrics before attaching heightened accountability thresholds. As the Commission has acknowledged, "[t]he number of metrics and indicators recommended is large and will require collection of a great deal of information."[128] Accordingly, RENs will require sufficient time to collect multi-year data, identify realistic baselines, and validate measurement methodologies to provide meaningful reporting on progress.

Finally, the Commission should continue refining the ACC to incorporate greater regional granularity and, where feasible, enhanced recognition of localized avoided costs and public benefits. While the ACC must remain analytically rigorous, its application in equity-focused programs should reflect the Commission's broader statutory and policy objectives.

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[128] D.23-06-055 at 59.

C. CLARIFY INCLUSION OF DISADVANTAGED CUSTOMERS, HARD-TO-REACH CUSTOMERS, AND UNDERSERVED COMMUNITIES TO REN CRITERIA

1. Summary

The Commission may only authorize REN programs (1) fill market gaps, (2) pilot innovative approaches, or (3) serve HTR customers.[129] These criteria have not been substantially modified since the inception of RENs, nearly 14 years ago.[130]

Since that time, Commission policy has significantly evolved to encompass a new Equity segment tailored to serve a broad array of Equity customers – including HTR customers, customers in DACs, and underserved customers. The Commission has recognized that RENs characteristically offer a larger portion of Equity programs than their IOU or CCA PA counterparts, but the Commission has not updated the REN criteria to align with the more recent, broader Equity customer umbrella. Revising the REN criteria to specifically acknowledge service of Equity customers (HTR, DAC, and underserved) would therefore align REN evaluation more closely with operational realities.

2. Policy background

In D.12-11-015, the Commission adopted specific criteria by which it would evaluate REN portfolio proposals. The "REN criteria," as affirmed and modified in D.19-12-021, are as follows:[131]

- "Activities that utilities or CCA program administrators cannot or do not intend to undertake.

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[129] D.19-12-021 at 32.

[130] Note that the Commission clarified the REN criteria in D.19-12-021 to establish that RENs may fill gaps left by IOU or CCA PAs – not just IOUs.

[131] D.19-12-021 at 32.

- "Pilot activities where there is no current utility or CCA program offering, and where there is potential for scalability to a broader geographic reach, if successful."
- "Activities serving hard-to-reach markets, whether or not there is another utility or CCA program that may overlap."

Later, in D.21-05-031, the Commission required that EE portfolios be divided into the following three segments based on programs' primary purpose: Resource Acquisition, Market support, and Equity. Equity programs have "a primary purpose of providing energy efficiency to hard-to-reach or underserved customers and disadvantaged communities in advancement of the Commission's ESJ Action Plan."[132] In D.23-06-055, the Commission required the Equity segment objectives to be aimed at "hard-to-reach, disadvantaged, and/or underserved communities."[133]

"Equity customers" serves as an umbrella term for the customers these programs target. The Commission has adopted more granular definitions for HTR, underserved, and DAC customers. In D.23-06-055, the Commission defined HTR customers as follows:[134]

> "California Native American Tribes are hard to reach; our state's historical dispossession of Tribes now requires deliberate effort to overcome persistent barriers to providing energy efficiency programs and services to Tribes. California Native American Tribes are defined consistent with the Commission's Tribal Consultation Policy, and any subsequent modification(s).
>
> Specific criteria were developed by staff to be used in classifying a customer as hard-to-reach. Two criteria are considered sufficient if one of the criteria met is the geographic criterion defined below. If the geographic criterion is not met, then at least three (other) criteria must be met. The exception is for California Native American Tribes, who do not need to meet any additional criteria.
>
> There are common as well as separate criteria when defining hard-to-reach for residential versus small business customers. The barriers common to both include:
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> Customers who do not have easy access to program information or generally do not participate in energy efficiency programs due to a combination of language,

[132] D.21-05-031 at 14.
[133] D.23-06-055 at 57-58.
[134] *Id*. at 52-54.

business size, geographic, and lease (split incentive) barriers. The common barriers to consider include:

- Geographic criterion –
    - Customers or customer premises in areas other than the United States Office of Management and Budget Combined Statistical Areas of the San Francisco Bay Area, the Greater Los Angeles Area and the Greater Sacramento Area or the Office of Management and Budget metropolitan statistical areas of San Diego County, or
    - Customers or customer premises in disadvantaged communities, as identified by the California Environmental Protection Agency pursuant to Health and Safety Code Section 39711.
- Language criterion – Primary language spoken is other than English.

For small business added criteria to the above to consider:

- Business Size – 25 or fewer employees and/or classified as Very Small (Customers whose annual electric demand is less than 20 kilowatt (kW), or whose annual gas consumption is less than 10,000 therm, or both), and/or
- Leased or Rented Facilities – Investments in improvements to a facility rented or leased by a participating business customer.

For residential added criteria to the above to consider:

- Income – Those customers who qualify for the California Alternative Rates for Energy, Energy Savings Assistance, or the Family Electric Rate Assistance Programs, and/or
- Housing Type – Multi-family and Mobile Home Tenants (rent and lease).

For the public sector, customers classified as "local government" that meet the geographic criterion above may also be considered hard-to-reach."

As is immediately apparent from this definition, the Commission's definition of HTR customers is both complex and more narrow than the income-based definitions for other Equity customer groups.

3. Current situation

RENs, including 3C-REN, are already implementing programs that extend beyond the complex HTR definition established in D.23-06-055. Indeed, RENs' Equity segment programming generally serves a broader pool of customers that may not fit into the specific HTR criteria, but that do meet the definitions of DAC and underserved customers.

For example, 3C-REN's residential programs have shifted from using the "HTR" terminology to "equity target" customers in order to better reflect local regional needs and the Commission's Equity segment guidance. This operational shift recognizes that certain communities may qualify as DAC or underserved even if they do not meet the technical HTR definition.

The Commission's EMS indicators already use umbrella equity terminology that encompasses HTR, DAC, and underserved communities. REN programs are therefore being evaluated against broader equity-oriented metrics that exceed the original HTR-only criterion, yet the formal REN evaluation standard has not been updated to reflect this broader scope.

As a result, the current REN criteria do not fully capture the equity objectives embedded in today's energy efficiency landscape. Moreover, if a REN program gains stronger traction among underserved or DAC communities than among HTR customers, that outcome should not be viewed negatively or as inconsistent with REN authorization. Rather, it reflects alignment with current Commission equity priorities.

4. Recommendation

3C-REN recommends the Commission update the REN criteria from D.12-11-015 and D.19-12-021 to explicitly reference service to "equity target participants (HTR, DAC, or underserved)." This clarification would align REN authorization standards with current

Commission decisions and segmentation frameworks, ensure consistency between evaluation metrics and approval criteria, and accurately reflect the equity-focused program design RENs are already implementing. Importantly, this modification is not a material expansion of REN authority. Rather, it simply harmonizes terminology across Commission decisions and provides clearer recognition of the full scope of REN contributions under the modern Equity segment framework.

D. CHANGES TO HARD-TO-REACH DEFINITION

1. Summary

The current HTR definition, as set forth above, does not fully account for the barriers faced by customers in 3C-REN's region. To remedy this, the Commission should modify the geographic component of the HTR definition to specifically include Ventura County. Further, the Commission should modify the HTR definition to automatically include the multi-family building sector and customers enrolled in Medical Baseline Allowance programs.

2. Policy background

The Commission's adopted definition of "hard-to-reach," most recently set forth in D.23-06-055, is aimed at encompassing markets that rarely participate in energy efficiency programs because they face significant barriers such as language, income, housing type, being subject to a lease with split incentive barriers, business size, or geography, including DACs.[135] California Native American Tribes are deemed HTR based on tribal status alone.[136] The Commission's geographic criterion for HTR is as follows:[137]

- Customers or customer premises in areas *other than* the United States Office of Management and Budget Combined Statistical Areas of the San Francisco Bay Area, the Greater Los Angeles Area and the Greater Sacramento Area or the Office of Management and Budget metropolitan statistical areas of San Diego

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135 *Id*. at 51-53.
136 *Id*. at 52-54.
137 *Id*. at 53.

County, or

- Customers or customer premises in disadvantaged communities, as identified by the California Environmental Protection Agency pursuant to Health and Safety Code Section 39711.

Under the Commission's current policy, if a customer is in a rural area or DAC, they qualify as HTR by meeting that geographic criterion plus at least one other barrier (for example, CARE/FERA eligibility, multifamily or mobile home tenancy, or limited English proficiency). Customers that do not satisfy the geographic factors must meet three other criteria.[138]

3. Current situation

a. Restrictive Geographic Criterion

The prescriptive and complex definition of HTR has excluded some vulnerable communities from receiving the benefits of energy efficiency improvements. In particular, due to the HTR definition's exclusion of greater Los Angeles from the geographic criterion, and given that all of Ventura County is in greater Los Angeles, many ratepayers in Ventura County are unable to benefit from 3C-REN's energy efficiency programs. Customers in Ventura County must meet at least three other criteria in order to meet the definition of HTR, which has proven to be difficult in many cases. Those same ineligible customers would otherwise meet the geographic criterion plus one other threshold criterion if they resided, for example, in nearby Santa Barbara or San Luis Obispo. For the incentive programs, the geographic criterion has sometimes arbitrarily stopped support from reaching deserving HTR customers in Ventura County.

In D.23-05-055, the Commission stated that the HTR classification for EE programs is intended to address the needs of "[c]ustomers who do not have easy access to program information or generally do not participate in energy efficiency programs due to a combination of language,

[138] *See* D.23-06-055 at 52-54; D.18-05-041 at 42-43, 48; Resolution G-3497.

business size, geographic, and lease (split incentive) barriers."[139] Ratepayers in Ventura County satisfy that description in various respects. First, 38.4% of Ventura County residents speak a language other than English at home.[140] Second, most of the small businesses in Ventura County are very small, with businesses of less than 20 employees accounting for nearly 86.91% of the total businesses in the county.[141] Third, physical access to program information and services is more difficult to provide to residents of Ventura County because its population and businesses are spread across a very large, mountainous geography with limited urbanized unincorporated land. Given these and numerous other factors, the Public Policy Institute of California has found that Ventura County has one of the highest shares of "very hard-to-count" census tracts.[142]

b. Multi-Family Buildings

In general, multi-family building owners often have little financial incentive to make energy efficiency investments because, for the most part, such buildings are leased, and energy savings inure to the benefit of the tenants via lower energy costs (the "split-incentive" problem). Compounding this problem, California's multi-family housing stock is older than 50 years old on average, and these older buildings tend to be less energy efficient than newer buildings.[143] Also, the opacity of whole-building energy usage and the fragmented nature of multifamily billing of

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139 D.23-05-055 at 53.

140 U.S. Census Bureau, QuickFacts: Ventura County, CA. https://www.census.gov/quickfacts/venturacountycalifornia.

141 Number of Small Businesses in Ventur County, CA: 2023 Outlook (Jan. 23, 2023), https://www.neilsberg.com/insights/number-of-small-businesses-in-ventura-county-ca/#1-19-employees (citing U.S. SBA Office of Advocacy Small Business Profile and U.S. Census SUSB/CBP/Nonemployer data).

142 2020 Census Counting the Central Coast (Oct. 31, 2018), https://www.ppic.org/blog/2020-census-counting-the-central-coast/; California Secretary of State, Ventura County Fact Sheet, https://admin.cdn.sos.ca.gov/census2020/fact-sheets/pdf/ventura.pdf.

143 RAND, The High Cost of Producing Multifamily Housing in California (Apr. 2, 2023), https://www.rand.org/pubs/research_reports/RRA3743-1.html#:~:text=The%20gains%20from%20new%20housing,50%20years%20old%20on%20average.

tenants tend to make it difficult to bring energy savings to these customers. Tenants and multi-family building owners are exceedingly hard-to-reach with energy efficiency measures in a literal sense, yet, at present, the definition of "HTR" includes only multifamily properties that are leased as a single, nondeterminative criterion. Thus, in order to be considered HTR, if such properties are excluded from the geographic criterion, they must also meet two additional criteria. This serves as a barrier to access for many customers that "generally do not participate in energy efficiency programs."[144]

c. Critical Medical Equipment

Residential customers that rely on electricity to operate critical medical equipment often have limited flexibility in reducing load to power that equipment. Currently, as part the Commission's Medical Baseline Allowance rules, residential customers who rely on medical devices to sustain life or use medical devices for mobility are eligible for discounted electricity rates. Such life-support equipment or mobility devices typically have high energy needs. However, complementary EE programs targeting customers who rely on such life-sustaining equipment are lacking if they do not satisfy a sufficient other number of the HTR definition's criteria. RENs therefore find it difficult to provide support to medical baseline customers through their programs, even though such customers are most certainly hard-to-reach with EE program information and opportunities due to significant health and mobility challenges.

4. Recommendation

In 3C-REN's practical implementation experience, the HTR criteria are overly narrow and restrictive. This had led many customers, often arbitrarily, to be denied access to programmatic support. 3C-REN therefore recommends that the Commission modify the HTR definition to: 1)

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[144] D.23-05-055 at 53.

include the Ventura County; 2) include all multifamily customers; and 3) include customers who receive the medical baseline under their applicable utility tariffs.

E. EXEMPT PROGRAMS TARGETING THE EQUITY SEGMENT AND THE UNDERSERVED, DISADVANTAGED COMMUNITY AND MULTIFAMILY SECTORS FROM THE PREPONDERANCE OF EVIDENCE BASELINE REQUIREMENTS.

1. Summary

Over a decade ago, Assembly Bill ("AB") 802 (Williams, 2015), fundamentally reshaped how energy savings are calculated in existing buildings. By shifting from a code-based baseline to an existing-conditions baseline for retrofit projects,[145] the Legislature sought to capture the full value of energy savings achieved by upgrading equipment and infrastructure in existing buildings, rather than simply savings beyond what Title 24 requires. While the Commission moved promptly to implement AB 802,[146] practical experience over the past decade shows that regulatory changes are needed to better align with statutory language and purpose. Specifically, 3C-REN urges the Commission to categorically exempt programs serving the Equity segment and underserved, DAC and multifamily customers from administratively burdensome preponderance of evidence ("POE") baseline documentation requirements that are causing delay and uncertainty for retrofit projects in these already-challenged sectors.

2. Policy Background

Before AB 802, the standard practice for measuring retrofit savings was to compare new equipment against a code-compliant baseline. Under this approach, if a customer replaced aging or inefficient equipment, savings were credited only for improvements beyond what Title 24 already required. The prior approach failed to recognize and incentivize the significant energy

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145 AB 802 § 6; Cal. Pub. Util. Code § 381.2(b).

146 *See, e.g.*, D.16-08-109 (Aug. 18, 2016); Resolution E-4818 (Mar. 2, 2017).

reductions achieved simply by bringing outdated appliances and building infrastructure into compliance. This undervalued upgrades in older buildings and limited incentives for comprehensive retrofits. Code compliance rates for existing buildings can be as low as 10–30%,[147] This structure particularly disadvantaged multifamily buildings and underserved customers, where building stock tends to be older and in greater need of modernization. By restricting savings recognition, the prior framework unintentionally discouraged deeper investments and energy savings benefits for these communities and customers.

Assembly Bill 802 sought to address this gap by directing the CPUC to authorize energy efficiency programs that count *all* energy savings relative to existing building conditions, including both savings achieved through bringing buildings into compliance with Title 24 standards *and* savings achieved in exceeding such standards. The bill required the CPUC to authorize incentives, rebates, technical assistance and support "to increase the energy efficiency of existing buildings based on *all* estimated energy savings and energy usage reductions, taking into consideration *the overall reduction* in normalized metered energy consumption as a measure of energy savings."[148] Even more specifically, AB 802 expressly provided that such programs "shall include energy usage reductions resulting from the adoption of a measure or installation of equipment required for modifications to existing buildings *to bring them into conformity with, or exceed*, the requirements of Title 24 of the California Code of Regulations."[149] In other words, savings could be calculated against the actual pre-project energy consumption, not just against current code. The bill further provided that "all energy savings achieved*"* through such programs, unless determined otherwise, would count toward overall energy efficiency goals or targets established by the

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147 CEC Docket 24-BDST-05 Staff Workshop Slides at slide 13.
148 AB 802, § 6; Cal. Pub. Util. Code § 381.2(b) (emphasis added).
149 AB 802, § 6

CPUC.[150] The Legislature's stated intent in enacting AB 802 was to "support strategies that enhance energy efficiency."[151]

This shift was transformative. It acknowledged that replacing inefficient existing appliances and infrastructure in buildings produces real and valuable energy savings, regardless of whether the new equipment or measure merely meets code or exceeds it. In implementing AB 802, the Commission understood that it was now required to "use existing conditions baseline as the default assumption," and that it was a "major change."[152] The Commission acknowledged that "the intention of AB 802 is to unlock potential efficiency savings within the existing building stock by measuring savings against current performance."[153]

Yet, at the same time, the Commission has long sought to address the issue of free ridership in energy efficiency policy, i.e. avoiding ratepayer funding of measures that would have been undertaken anyway in the absence of the program,[154] by distinguishing between "normal replacement" and "accelerated replacement."[155] The Commission has required a "preponderance of evidence" standard, in which the evidence must show that accelerated replacement must be "more likely than not" to be true.[156]

In Resolution E-5115 in 2021, the Commission recognized, however, that "the cost of evidence acquisition in order to support a demonstration of equipment viability and program influence should not outweigh the potential value of the project or program."[157] It concluded that the POE requirement does not apply to accelerated replacement projects for Small-Sized

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150 *Id*.
151 *Id*., § 1.
152 D.16-08-019 at 14; *see also* COL 8.
153 Resolution E-4818 (Mar. 2, 2017) at 13.
154 *See* D.16-08-019 at 17; Resolution E-5115 (Jan. 14, 2021) at 11-12.
155 Resolution E-4818 at 36.
156 *Id*. at 37-38; *see also* Resolution E-4939 (Oct. 11, 2018), OP 8.
157 Resolution E-5115 at 11, Finding 6.

Businesses or HTR customers.[158] Moreover, the Commission found that its preponderance of evidence is a "living" document that it expected to update over time.[159] In Resolution E-4818, the Commission made clear that it would "revisit its policies on existing conditions baseline, which would include the preponderance of evidence documentation standards, to ensure that they are meeting the intent of AB 802."[160] The Commission expressly stated that its POE requirements "may be modified in the future."[161]

3. Current situation

It is now time for the Commission to revisit its baseline policies and implementation of AB 802. Energy efficiency programs, especially those serving multifamily, underserved, DAC, and the Equity segment, are built around comprehensive retrofit strategies. These programs rely on existing-condition baselines to capture the full value of improvements made to older buildings. Yet, the complex POE documentation requirements implemented by the Commission to establish baselines upon which energy savings are measured has introduced considerable operational friction for projects in these sectors. Projects face significant delays, reclassification, or savings adjustments if baseline determinations differ from original program assumptions. This uncertainty affects:

- Incentive reservation timelines;
- Contractor scheduling;
- Project financing decisions; and
- Customer participation, among other impacts.

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158 *Id*. at 12, Finding 7, Order 5.
159 Resolution E-4818 at 39.
160 *Id*.
161 *Id*.

Below is an example from 3C-REN's experience.

Example 1: Multifamily Central Heating Replacement Affordable Housing Project

In a deed-restricted affordable multifamily property, 3C-REN supported replacement of aging central heating equipment serving multiple tenant households. The equipment was inefficient but still operational, though with repeated service issues. Under POE requirements, the implementer was required to document:

- That the system was not at end-of-life,
- That replacement was program-induced rather than scheduled capital maintenance,
- That sufficient RUL remained to justify an accelerated replacement baseline.

This required assembling maintenance logs from property management, obtaining contractor attestations, and documenting equipment condition through inspection. In affordable housing settings:

- Maintenance records are often incomplete or decentralized;
- Property managers may not retain long-term service documentation;
- Equipment replacement decisions are frequently driven by financing or funding windows rather than technical end-of-life determinations.

Because of limitations, the project took the normal replacement pathway. This meant that 3C-REN claimed lower energy savings and TSB, despite the actual energy savings achieved through the equipment replacement.

Multifamily, underserved and DAC properties and those in the Equity segment are particularly sensitive to delays or shifting program requirements because project economics are often tightly constrained. These households frequently occupy older housing stock and may pursue upgrades in response to high energy burden, health concerns, or coordinated retrofit opportunities,

rather than mechanical end-of-life triggers. Contractors serving these customers typically operate with limited working capital and rely on predictable incentive structures to manage cash flow.

When final incentive amounts depend on POE review outcomes, contractors assume additional financial risk. This dynamic can discourage contractor participation in multifamily, underserved and DAC markets, reducing access to qualified installers and limiting program reach.

In DAC contexts, these sensitivities are compounded. As noted above, the CEC recently estimated that 10-30% of California's existing building stock does not meet current code standards.[162] Retrofit decisions in these communities are often driven by health, safety, electrification coordination, or funding opportunity timing rather than by equipment failure alone. The POE framework's emphasis on distinguishing between "normal" and "accelerated" replacement does not always align with these real-world decision drivers. When documentation burdens increase or baseline determinations shift late in the process, customers with limited financial flexibility are less able to absorb delays or uncertainty. When uncertainty increases, projects stall or drop out from such programs entirely, reducing the potential for energy savings benefits, and exacerbating equity issues.

Across multifamily, underserved, DAC, and Equity-segment projects, delay or shifting requirements introduce heightened risks of contractor withdrawal, financing disruption, scope reduction, and customer attrition. Because these sectors operate within tighter financial, administrative, and scheduling constraints than large commercial markets, they are disproportionately affected by administrative complexity and burden. In practice, this means that the POE framework imposes the greatest participation friction in precisely those sectors where AB

[162] CEC Docket 24-BDST-05 Staff Workshop Slides at slide 13.

802 and subsequent Commission equity policies seek to expand retrofit activity and capture stranded savings.

4. Recommendation

Given that the Commission expressly anticipated updating the POE guidance documentation standards to "ensure that they are meeting the intent of AB 802"[163] it is now time to update the Commission's guidance. Barriers to achievement of energy efficiency savings for the Equity segment and for underserved, DAC and multifamily sectors imposed by the current preponderance of evidence framework warrant change. While Resolution E-5115 exempted Small-Sized Businesses and HTR customers from the POE documentation requirements,[164] California energy efficiency and environmental and social justice policy has since evolved to establish the Equity segment,[165] define underserved customers,[166] and, as argued above, to include multifamily customers within the definition of HTR. To ensure alignment between AB 802's statutory requirements and legislative goals and actual implementation in practice, and to integrate the past several years of evolution in energy efficiency policy with respect to equity, 3C-REN recommends the Commission:

1. Categorically exempt programs and projects serving multifamily, underserved, DAC communities and the Equity segment from the preponderance of evidence documentation requirements to establish project baselines for accelerated replacement projects.
2. Update the Energy Efficiency Policy Manual to reflect this change.

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163 Resolution E-4818 at 39.
164 *Id*. at 12, Finding 7, Order 5.
165 *See* D.21-05-031 at 14; D.23-05-055 at 57-58.
166 D.23-06-055 at 47.

These changes are needed to align with the Public Utilities Code and carry out the Legislature's direction that energy efficiency programs incentivize energy saving measures that both bring buildings to code and those that exceed the code requirements, which is of particular import in equity, DAC, underserved and multifamily sectors. This change will unlock far greater retrofit potential in these sectors by making them more accessible and providing more certainty for implementers, contractors and customers.

F. APPLY "DIRECT-TO-DECISION" TREATMENT TO ALL MULTIFAMILY PROJECTS.

1. Summary

As discussed above, in order to prevent free ridership and expenditure of ratepayer dollars on projects that would have taken place absent an energy efficiency program or incentive, the Commission requires a demonstration that such equipment was not already scheduled for replacement and is still operational. The Commission's current "preponderance of evidence" ("POE") standard established to document this is administratively burdensome, particularly in the context of multifamily customers. The Commission's "Direct-to-Decision" framework streamlines this process significantly by enabling a project to qualify as "accelerated replacement" without needing to satisfy the standard POE requirements.[167] If the Commission does not adopt 3C-REN's recommendation above that all multifamily projects be categorically exempt from the POE requirements, it should provide for Direct-to-Decision treatment for multifamily customers, as a class.

[167] Resolution E-4818 at 45.

2. Policy background

As noted above, to minimize ratepayer funding of energy efficiency projects that would have been occurred in the absence of the program,[168] the Commission distinguishes "normal replacement" from "accelerated replacement."[169] The POE documentation standard was established to demonstrate that a project is "more likely than not" accelerated replacement.[170] In Resolution E-4818, the Commission adopted a set of criteria, applied at the program level, "that would default a project to an accelerated replacement baseline" without a POE requirement.[171] These "direct-to-decision" criteria included:

1. Custom measures installed through residential and small commercial direct install programs.**
2. Tenant space build-outs where the tenant, space purpose and equipment use patterns remain the same.
3. Pre-existing equipment was functional and the measure was proposed in an implementer-provided audit through a program that the Commission has approved as being designed to expressly target early replacement.

**Where CPUC Staff must pre-approve the direct install program as being appropriate for such classification. For deemed measures with these customer classes, see the deemed section.[172]

Alongside these criteria, the Commission also adopted guidelines, including submission to the Commission of program designs, program rules and customer eligibility rules, with supporting

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168 *See* D.16-08-019 at 17; Resolution E-5115 (Jan. 14, 2021) at 11-12.
169 Resolution E-4818 at 36.
170 *Id*. at 37-38; *see also* Resolution E-4939 (Oct. 11, 2018), OP 8.
171 Resolution E-4818 at 45-47.
172 *Id*. at 45, 46.

arguments or data, program rules that include customer eligibility criteria, and the collection of evidence of customer eligibility and equipment viability for each installation, made available to the Commission upon request.[173]

In 2018, following a workshop process, the Commission ordered that "small-sized businesses," as a class, are subject to Direct-to-Decision treatment.[174] The Commission reasoned that "[s]implifying the requirements for program participation and increasing the available incentive by defaulting the baseline to existing conditions is expected to encourage and increase program participation *by a class of customers with a historically low participation rate*."[175]

On January 18, 2024, the Association of Bay Area Governments on behalf of Bay Area Regional Energy Network ("BayREN") and the County of Ventura on behalf of 3C-REN, filed a motion ("REN Motion") in R.13-11-005 with several recommendations for energy efficiency policy changes for multifamily housing projects.[176] Included among those recommendations was that the Commission should apply Direct-to-Decision treatment for all multifamily projects.[177] The Commission denied the REN Motion in D.25-01-006, but then proceeded to include the needs of the multifamily sector within the scope of the current energy efficiency rulemaking (R.25-04-010).[178] A workshop was held on December 15, 2025, and a staff proposal, followed by a Commission decision, is forthcoming.

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173 *Id*. at 46-47.
174 Resolution E-4939 at 33-34.
175 *Id*., Finding of Fact (FOF) 19 (emphasis added).
176 R.13-11-005, *Motion of Association of Bay Area Governments and County of Ventura Requesting Adoption of Streamlined Processes for Multifamily Projects* (Jan. 18, 2024) at 2.
177 *Id*. at 5-7.
178 R.25-04-010, *Assigned Commissioner's Scoping Memo and Ruling* (Jul. 23, 2025) at 6, 11.

3. Current situation

While well intentioned, the Commission's burdensome POE documentation requirements are hampering progress in furtherance of California energy efficiency and climate goals, and failing to carry out the goals of AB 802. This is particularly true in the multifamily housing sector. As the Joint RENs' discussed in the REN Motion: [179]

> Multifamily buildings lag in their adoption of efficiency measures and use heating and water systems well beyond the useful lives of their existing equipment. Older multifamily building stock, including those that predate Title 24, do not approach today's code standards, nor will they without considerable support to overcome barriers in the multifamily sector. This results in high ongoing costs and GHG emissions, decreasing the health, safety, and comfort for their inhabitants.

BayREN and 3C-REN explained that the POE requirements "pose unique and burdensome challenges for multifamily projects specifically."[180] For example, "mom and pop" owners of multifamily buildings lack the documentation required to meet this standard.[181] This has been exacerbated by the Energy Division's requirement of POE documentation for deemed projects, in addition to custom multifamily projects.[182]

As mentioned in the December 15, 2025 workshop, similar justification the Commission applied in providing Direct-to-Decision treatment of small businesses as a class also apply to the multifamily sector. These include a lack of capital for upgrades and customer practice of replacing outdated equipment only when it fails.

While the Commission denied the REN Motion on the ground that it sought to modify prior Commission orders,[183] this conclusion is not accurate with regard to the Direct-to-Decision framework. In Resolution E-4818, the Commission expressly stated that it would "revisit its

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179 REN Motion at 6.
180 *Id*.
181 *Id*.
182 *Id*.
183 D.25-01-006 at 11.

policies on existing conditions baseline, which would include the preponderance of evidence documentation standards, to ensure that they are meeting the intent of AB 802."[184] Per Resolution E-4818, the Commission's POE guidelines are considered a "living document" that "may be modified in the future."[185]

4. Recommendation

If the Commission were to adopt 3C-REN's recommendation above that all multifamily projects (along with projects in the Equity sector and for underserved and DAC customers) be categorically exempt from the POE requirements, this would address the concerns raised above and in the REN Motion. If not, the Commission should at a minimum apply Direct-to-Decision treatment to multifamily customers as a class, at the program level.

G. INTEGRATED DEMAND SIDE MANAGEMENT

1. Summary

In the template for this exhibit, Energy Division requested that PAs note any policy changes necessary to enable their proposed approaches to the Chapter 3 Portfolio Strategies. As noted in Chapter 3, in Portfolio Strategy #8 regarding IDSM, 3C-REN proposes to continue its current strategy to support IDSM by integrating IDSM education and technical assistance into existing program touchpoints, leveraging partnerships to align funding streams and reduce participant barriers, and building regional workforce capacity to support emerging IDSM technologies.

3C-REN's IDSM strategy is focused on building longer-term and sustainable frameworks for integrating energy efficiency and DERs. This approach requires a policy update to ensure IDSM programs can continue to build success and deliver value to ratepayers. 3C-REN strongly

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184 Resolution E-4818 at 39.
185 *Id*.

recommends that the Commission continue to allow IDSM activities under the rules specified in D.23-06-055[186] in 2028 and beyond, through the application process used for all other program proposals.

2. Policy background

As part of ongoing efforts to encourage IDSM solutions within the energy efficiency portfolio framework, the Commission established a multi-DER pathway in which each PA may, but is not required to, expend up to 2.5 percent, or $4 million, whichever is greater, of its energy efficiency budget for the portfolio period, up to a maximum of $15 million, for launching IDSM programs in 2024-2027 to encourage ongoing load shifting that reduces peak consumption. The Commission specified that the funding is not to be used for event-based demand response or for rebating capital costs of non-efficiency technologies (e.g., purchase of a battery or self-generation technology). Instead, the energy efficiency funding is intended as an operational complement to potential capital funding from other sources.[187]

3. Current situation

Decision 23-06-055 specified an opportunity for PAs to offer IDSM programs and activities in the 2024-2027 portfolio period, but did not specify how these activities might continue in 2028 and beyond. The Commission requested IDSM advice letters "for programs to be launched during 2024-2027" by March 15, 2024.[188] 3C-REN submitted its IDSM Advice Letter on March 15, 2024, but unfortunately there was a *significant* time delay between IDSM Advice Letter submittals and approvals. This has meant that 3C-REN and other PAs are only now ramping up

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186 D.23-06-055 at 77-80 and COL 41.
187 *Id*.
188 *Ibid*., COL 41.

their IDSM activities in parallel with preparing these business plans.[189]

The Commission asked for PAs to describe their IDSM strategies in Chapter 3 of this exhibit, which 3C-REN has done. Yet, as noted, due to the timing of IDSM Advice Letter approvals, the proposed activities are only just beginning now, with less than two years remaining in the 2024-2027 portfolio cycle to reach full implementation. More time is needed to launch and scale these efforts into the upcoming 2028-2031 portfolio cycle, without a looming funding cliff causing uncertainty for PAs.

Aligning the IDSM program proposal process with that of other energy efficiency programs is especially important for 3C-REN because its proposed IDSM activities (a continuation of the activities approved via Resolution E-5387) are embedded directly into its existing programs to ensure the integration of energy efficiency and other DER-related activities.

4. Recommendation

The Commission should enable PAs to propose extensions of IDSM programs and activities which have been approved via Advice Letter as required in D.23-06-055, via Business Plan Application filings. The Commission's forthcoming decision to approve 2028-2035 portfolios should include specific language allowing IDSM programs and activities to be approved alongside other programs through the BPA application process, rather than advice letter-based *ad hoc* initiatives constrained by single-portfolio-period timeframes as in D.23-06-055. Approval via rolling portfolio BPA would provide PAs, implementers and contractors with a vital assurance that programs are sustainable. This will enable such program to launch, collect data, measure benefits and inform program refinement on an ongoing basis.

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[189] 3C-REN submitted its IDSM Advice Letter (Advice Letter 10-E/9-G) on March 15, 2024. It was approved by the Commission in Resolution E-5387, which was adopted on September 18, 2025.

The Commission has been clear in past guidance that "[f]unding 'cliffs' created by regulatory delays are detrimental to the energy efficiency market and can potentially thwart long-term gains in energy efficiency,"[190] and concluded the following:[191]

> "The Commission should avoid regulatory uncertainty and funding "cliffs" in the event of delayed approvals by allowing program administrators to continue budgets at the four-year average from the previous approved four-year energy efficiency portfolio, until such time as the Commission approves a new portfolio and budgets."

In creating the multi-DER pathway in D.23-06-055, the Commission specifically noted its intention "[t]o facilitate flexibility for portfolio administrators designing innovative approaches," when allowing IDSM advice letters.[192] However, the uncertain timing of the advice letter resolution process actually functioned as a *barrier* for PAs wishing to operate IDSM programs in the 2024-2027 portfolio cycle. This may have been necessary due to the timing of the IDSM proposals after BPA submittals in 2022. However, the Commission has an opportunity now to establish a more streamlined and sustainable process that fits within the overarching portfolio applications framework, and can provide that flexibility and assurance needed to deliver innovative approaches.

The policy changes recommended here are aligned with Commission guidance and intentions for IDSM. These changes, if implemented, will help enable 3C-REN's proposed IDSM activities as described in Chapter 3 Portfolio Strategy #8, which seek to build a longer-term and sustainable framework for integrated energy efficiency offerings to its communities.

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190 D.21-05-031 at FOF 7.
191 *Id*. at COL 23.
192 *Id*. at 79.